

109TH CONGRESS  
1ST SESSION

# S. 1411

To direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

JULY 15, 2005

Mr. KERRY (for himself, Ms. SNOWE, Ms. CANTWELL, Mr. BOND, Mr. BURNS, Mr. LEAHY, Mr. JEFFORDS, Mr. CARPER, Mr. BINGAMAN, and Mr. ROCKEFELLER) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

---

## A BILL

To direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “National Small Busi-  
5       ness Regulatory Assistance Act of 2005”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to establish a 4-year pilot  
3 program to—

4 (1) provide confidential assistance to small  
5 business concerns;

6 (2) provide small business concerns with the in-  
7 formation necessary to improve their rate of compli-  
8 ance with Federal and State regulations derived  
9 from Federal law;

10 (3) create a partnership among Federal agen-  
11 cies to increase outreach efforts to small business  
12 concerns with respect to regulatory compliance;

13 (4) provide a mechanism for unbiased feedback  
14 to Federal agencies on the regulatory environment  
15 for small business concerns; and

16 (5) expand the services delivered by the Small  
17 Business Development Centers under section  
18 21(c)(3)(H) of the Small Business Act to improve  
19 access to programs to assist small business concerns  
20 with regulatory compliance.

21 **SEC. 3. SMALL BUSINESS REGULATORY ASSISTANCE PILOT**  
22 **PROGRAM.**

23 (a) DEFINITIONS.—In this section, the following defi-  
24 nitions shall apply:

25 (1) ADMINISTRATION.—The term “Administra-  
26 tion” means the Small Business Administration.

1           (2) ADMINISTRATOR.—The term “Adminis-  
2           trator” means the Administrator of the Small Busi-  
3           ness Administration, acting through the Associate  
4           Administrator for Small Business Development Cen-  
5           ters.

6           (3) ASSOCIATION.—The term “association”  
7           means the association established pursuant to sec-  
8           tion 21(a)(3)(A) of the Small Business Act (15  
9           U.S.C. 648(a)(3)(A)) representing a majority of  
10          Small Business Development Centers.

11          (4) PARTICIPATING SMALL BUSINESS DEVELOP-  
12          MENT CENTER.—The term “participating Small  
13          Business Development Center” means a Small Busi-  
14          ness Development Center participating in the pilot  
15          program established under this Act.

16          (5) REGULATORY COMPLIANCE ASSISTANCE.—  
17          The term “regulatory compliance assistance” means  
18          assistance provided by a Small Business Develop-  
19          ment Center to a small business concern to assist  
20          and facilitate the concern in complying with Federal  
21          and State regulatory requirements derived from  
22          Federal law.

23          (6) SMALL BUSINESS DEVELOPMENT CEN-  
24          TER.—The term “Small Business Development Cen-  
25          ter” means a Small Business Development Center

1 described in section 21 of the Small Business Act  
2 (15 U.S.C. 648).

3 (7) STATE.—The term “State” means each of  
4 the several States, the District of Columbia, the  
5 Commonwealth of Puerto Rico, the Virgin Islands,  
6 American Samoa, and Guam.

7 (b) AUTHORITY.—In accordance with this section,  
8 the Administrator shall establish a pilot program to pro-  
9 vide regulatory compliance assistance to small business  
10 concerns through participating Small Business Develop-  
11 ment Centers.

12 (c) SMALL BUSINESS DEVELOPMENT CENTERS.—

13 (1) IN GENERAL.—In carrying out the pilot  
14 program established under this section, the Adminis-  
15 trator shall enter into arrangements with partici-  
16 pating Small Business Development Centers under  
17 which such Centers shall—

18 (A) provide access to information and re-  
19 sources, including current Federal and State  
20 nonpunitive compliance and technical assistance  
21 programs similar to those established under  
22 section 507 of the Clean Air Act Amendments  
23 of 1990 (42 U.S.C. 7661f);

24 (B) conduct training and educational ac-  
25 tivities;

1 (C) offer confidential, free-of-charge, one-  
2 on-one, in-depth counseling to the owners and  
3 operators of small business concerns regarding  
4 compliance with Federal and State regulations  
5 derived from Federal law, provided that such  
6 counseling is not considered to be the practice  
7 of law in a State in which a Small Business De-  
8 velopment Center is located or in which such  
9 counseling is conducted;

10 (D) provide technical assistance;

11 (E) give referrals to experts and other pro-  
12 viders of compliance assistance who meet such  
13 standards for educational, technical, and profes-  
14 sional competency as are established by the Ad-  
15 ministrator; and

16 (F) form partnerships with Federal compli-  
17 ance programs.

18 (2) REPORTS.—Each participating Small Busi-  
19 ness Development Center shall transmit to the Ad-  
20 ministrator and the Chief Counsel for Advocacy of  
21 the Small Business Administration, as the Adminis-  
22 trator may direct, a quarterly report that includes—

23 (A) a summary of the regulatory compli-  
24 ance assistance provided by the Center under  
25 the pilot program;

1 (B) the number of small business concerns  
 2 assisted under the pilot program; and

3 (C) for every fourth report, any regulatory  
 4 compliance information based on Federal law  
 5 that a Federal or State agency has provided to  
 6 the Center during the preceding year and re-  
 7 quested that it be disseminated to small busi-  
 8 ness concerns.

9 (d) ELIGIBILITY.—A Small Business Development  
 10 Center shall be eligible to receive assistance under the  
 11 pilot program established under this section only if such  
 12 Center is certified under section 21(k)(2) of the Small  
 13 Business Act (15 U.S.C. 648(k)(2)).

14 (e) SELECTION OF PARTICIPATING STATE PRO-  
 15 GRAMS.—

16 (1) GROUPINGS.—

17 (A) CONSULTATION.—In consultation with  
 18 the association, and giving substantial weight to  
 19 the recommendations of the association, the Ad-  
 20 ministrator shall select the Small Business De-  
 21 velopment Center Programs of 2 States from  
 22 each of the groups of States described in sub-  
 23 paragraphs (B) through (K) to participate in  
 24 the pilot program established under this sec-  
 25 tion.

1 (B) GROUP 1.—Group 1 shall consist of  
2 Maine, Massachusetts, New Hampshire, Con-  
3 necticut, Vermont, and Rhode Island.

4 (C) GROUP 2.—Group 2 shall consist of  
5 New York, New Jersey, Puerto Rico, and the  
6 Virgin Islands.

7 (D) GROUP 3.—Group 3 shall consist of  
8 Pennsylvania, Maryland, West Virginia, Vir-  
9 ginia, the District of Columbia, and Delaware.

10 (E) GROUP 4.—Group 4 shall consist of  
11 Georgia, Alabama, North Carolina, South Caro-  
12 lina, Mississippi, Florida, Kentucky, and Ten-  
13 nessee.

14 (F) GROUP 5.—Group 5 shall consist of Il-  
15 linois, Ohio, Michigan, Indiana, Wisconsin, and  
16 Minnesota.

17 (G) GROUP 6.—Group 6 shall consist of  
18 Texas, New Mexico, Arkansas, Oklahoma, and  
19 Louisiana.

20 (H) GROUP 7.—Group 7 shall consist of  
21 Missouri, Iowa, Nebraska, and Kansas.

22 (I) GROUP 8.—Group 8 shall consist of  
23 Colorado, Wyoming, North Dakota, South Da-  
24 kota, Montana, and Utah.

1 (J) GROUP 9.—Group 9 shall consist of  
 2 California, Guam, American Samoa, Hawaii,  
 3 Nevada, and Arizona.

4 (K) GROUP 10.—Group 10 shall consist of  
 5 Washington, Alaska, Idaho, and Oregon.

6 (2) DEADLINE FOR SELECTION.—The Adminis-  
 7 trator shall make selections under this subsection  
 8 not later than 60 days after the date of publication  
 9 of final regulations under section 4.

10 (f) MATCHING REQUIREMENT.—Subparagraphs (A)  
 11 and (B) of section 21(a)(4) of the Small Business Act (15  
 12 U.S.C. 648(a)(4)) shall apply to assistance made available  
 13 under the pilot program established under this section.

14 (g) GRANT AMOUNTS.—Each State program selected  
 15 to receive a grant under subsection (e) shall be eligible  
 16 to receive a grant in an amount equal to—

17 (1) not less than \$150,000 per fiscal year; and

18 (2) not more than \$300,000 per fiscal year.

19 (h) EVALUATION AND REPORT.—The Comptroller  
 20 General of the United States shall—

21 (1) not later than 30 months after the date of  
 22 disbursement of the first grant under the pilot pro-  
 23 gram established under this section, initiate an eval-  
 24 uation of the pilot program; and



(2) not later than 6 months after the date of the initiation of the evaluation under paragraph (1), transmit to the Administrator, the Committee on Small Business and Entrepreneurship of the Senate, and the Committee on Small Business of the House of Representatives, a report containing—

(A) the results of the evaluation; and

(B) any recommendations as to whether the pilot program, with or without modification, should be extended to include the participation of all Small Business Development Centers.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

(A) \$5,000,000 for the first fiscal year beginning after the date of enactment of this Act; and

(B) \$5,000,000 for each of the 3 fiscal years following the fiscal year described in subparagraph (A).

(2) LIMITATION ON USE OF OTHER FUNDS.—

The Administrator may carry out the pilot program established under this section only with amounts appropriated in advance specifically to carry out this section.

1 (j) TERMINATION.—The Small Business Regulatory  
2 Assistance Pilot Program established under this section  
3 shall terminate 4 years after the date of disbursement of  
4 the first grant under the pilot program.

5 **SEC. 4. RULEMAKING.**

6 After providing notice and an opportunity for com-  
7 ment, and after consulting with the association (but not  
8 later than 180 days after the date of enactment of this  
9 Act), the Administrator shall promulgate final regulations  
10 to carry out this Act, including regulations that estab-  
11 lish—

12 (1) priorities for the types of assistance to be  
13 provided under the pilot program established under  
14 this Act;

15 (2) standards relating to educational, technical,  
16 and support services to be provided by participating  
17 Small Business Development Centers;

18 (3) standards relating to any national service  
19 delivery and support function to be provided by the  
20 association under the pilot program;

21 (4) standards relating to any work plan that  
22 the Administrator may require a participating Small  
23 Business Development Center to develop; and

24 (5) standards relating to the educational, tech-  
25 nical, and professional competency of any expert or

- 1 other assistance provider to whom a small business
- 2 concern may be referred for compliance assistance
- 3 under the pilot program.

