

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1350*

Short Title: Small Business Information Assistance.

(Public)

Sponsors: Representatives Shubert, Sexton; Allen, Berry, Brown, Davis, Eddins, Hurley, Morris, Mosley, Rayfield, and Warner.

Referred to: Commerce.

May 20, 1998

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE BUSINESS LICENSE INFORMATION OFFICE OF THE SECRETARY OF STATE'S OFFICE TO PROVIDE INFORMATION AND ASSISTANCE TO SMALL BUSINESSES, AS RECOMMENDED BY THE BUSINESS DEVELOPMENT STUDY COMMITTEE OF THE LEGISLATIVE RESEARCH COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 147-54.11 reads as rewritten:

"§ 147-54.11. Purpose.

It is the purpose of this Article to provide a convenient, accessible, and timely one-stop system for the business community to acquire and maintain the necessary information and State licenses to conduct business. Use of this one-stop system by an applicant is optional. An applicant may deal directly with the appropriate State licensing agency if he so the applicant prefers. To accomplish this goal, a business license information office is established to provide information to the business community on all State licensing and regulatory requirements laws and regulations and, to the extent feasible, to provide local and federal information on the same regulated activities. In addition to providing information on State licensing requirements, the business license information office shall develop an operating plan for an automated master application system, shall

1 determine the software and hardware needs of the system, shall determine the staffing
2 levels required for the system, and shall determine the space requirements for the office
3 and automated system.

4 It is the intent of the General Assembly that the authority for determining whether a
5 requested license shall be issued shall remain with the agency legally authorized to issue
6 the license."

7 Section 2. G.S. 147-54.13 reads as rewritten:

8 **"§ 147-54.13. Business License Information Office established; appointment of**
9 **director.**

10 (a) There is established within the Department of the Secretary of State the
11 Business License Information Office. The Office shall be under the direction and
12 supervision of a full-time salaried State employee who shall be designated as the
13 Director. The Director shall be appointed by the Secretary of State and shall receive a
14 salary commensurate with State government pay schedules for the duties of this office, or
15 such salary to be set by the State Personnel Board pursuant to G.S. 126-4. Necessary
16 travel allowance or reimbursement for expenses shall be authorized for the Director in
17 accordance with G.S. 138-6. Sufficient staff shall be provided under the direction of the
18 Secretary.

19 (b) The Office shall make recommendations to agencies and the General Assembly
20 ~~for eliminating, consolidating, simplifying, or expediting licenses, or otherwise~~
21 ~~improving licensing procedures affecting business undertakings.~~ regarding proposed
22 policies, rules, or laws to improve the dissemination of information to small businesses
23 regarding statutory and regulatory requirements and to improve licensing procedures
24 affecting business undertakings, including alternatives such as eliminating, consolidating,
25 simplifying, or expediting particular licenses.

26 (c) The Office shall promulgate and adopt rules and forms necessary to carry out
27 the purposes of this Article."

28 Section 3. Article 4B of Chapter 147 of the General Statutes is amended by
29 adding a new section to read:

30 **"§ 147-54.13.1. Reporting requirements of the Secretary of State.**

31 The Secretary may report to the Joint Legislative Commission on Governmental
32 Operations on any recommended legislative or administrative revision the Secretary
33 determines is necessary to make State government communications and relations with the
34 public more effective and efficient."

35 Section 4. G.S. 147-54.14 reads as rewritten:

36 **"§ 147-54.14. Clearinghouse functions.**

37 The Office shall be a clearinghouse for State business ~~license~~—information and shall
38 perform the following duties:

- 39 (1) Establish a license information service detailing requirements for
40 establishing and engaging in business in the State;
41 (2) Provide the most recent forms and information sheets for all State
42 business licenses; ~~and~~

- 1 (3) Prepare, publish, and distribute a complete directory of all State licenses
2 required to do business in North ~~Carolina~~-Carolina;
- 3 (4) Provide the public with an information resource center that disseminates
4 information regarding State statutory and regulatory requirements to
5 conduct business, including, but not limited to, authoritative sources and
6 procedures; and
- 7 (5) Establish a program in which the Office works with the small business
8 community to identify problems in State government related to
9 unnecessary delays, inconsistencies between regulatory agencies, and
10 the inefficient and ineffective uses of State resources."

11 Section 5. G.S. 147-54.15 reads as rewritten:

12 **"§ 147-54.15. License coordination and assistance to applicants.**

13 Upon request, the Office shall assist a person as provided below:

- 14 (1) Identify the type and source of licenses that may be required and the
15 potential difficulties in obtaining the licenses based on an informal
16 review of a potential applicant's business at an early stage in its
17 planning. Information provided by the Office is for guidance purposes
18 only and may not be asserted by an applicant as a waiver or release from
19 any license requirement. However, an applicant who uses the services
20 of the Office as provided in this subdivision, and who receives a written
21 statement identifying required State business licenses relating to a
22 specific business activity, may not be assessed a penalty for failure to
23 obtain any State business license which was not identified, provided that
24 the applicant submits an application for each such license within sixty
25 (60) days after written notification by the Office or the agency
26 responsible for issuing the license;
- 27 (2) Arrange an informal conference between the person and the appropriate
28 agency to clarify licensing requirements or standards, if necessary;
- 29 (3) Assist in preparing the appropriate application and supplemental forms;
- 30 (4) Monitor the license review process to determine the status of a
31 particular license. If there is a delay in the review process, the Office
32 may demand to know the reasons for the delay, the action required to
33 end the delay, and shall provide this information to the applicant. The
34 Office may assist the applicant in resolving a dispute with an agency
35 during the application process. If a request for a license is refused, the
36 Office may explain the recourse available to the person under the
37 Administrative Procedure Act-~~Act~~; and
- 38 (5) Provide the person with any information the person needs to comply
39 with State laws, rules, and policies in conducting business in the State or
40 refer the person to the particular individual in the appropriate agency to
41 obtain the requested information."

42 Section 6. G.S. 147-54.16 reads as rewritten:

43 **"§ 147-54.16. Master ~~application~~-automated system.**

1 (a) The Office shall implement and administer an automated master application
2 system. The Office shall determine the licenses appropriate for inclusion in the master
3 application system. The Office may not include environmental licenses in the master
4 application system.

5 The appropriate agency shall continue to determine whether a requested license shall
6 be issued and to issue the license if the application is approved by the agency. An
7 applicant who receives written notification by the Office that a license requested through
8 the Office is being issued by the appropriate agency may proceed with the licensed
9 business activity without having physical possession of the issued license.

10 The Office shall collect from each applicant the total amount of the fees for the
11 licenses applied for through the Office. The Office is the repository for an original signed
12 application form submitted through the Office for a license that is included in the master
13 application system. If, based on the information supplied by the applicant to the Office,
14 the Office fails to make application for a required license, and the applicant did not know
15 such a license was required, the applicant shall not be liable for any civil or criminal
16 penalties or disciplinary action for failure to have the license. If the failure to obtain the
17 license is reported to the applicant by either the Office or the agency issuing the license,
18 the applicant must make application within 30 days or be subject to the penalties or
19 disciplinary action.

20 (b) The Office shall implement and administer an automated system to track the
21 number of contacts or inquiries received each year, the nature of each contact or inquiry,
22 and the final resolution offered in response to each contact or inquiry for the purpose of
23 recommending legislative and administrative revisions pursuant to G.S. 147-54.13."

24 Section 7. G.S. 147-54.17 reads as rewritten:

25 "**§ 147-54.17. ~~License coordinator~~ Coordinator designated in all State agencies.**

26 (a) Each agency shall cooperate fully with the Office in providing information on
27 the ~~licenses~~ forms, licenses, and regulatory requirements of the agency, in coordinating
28 conferences with applicants to clarify license and regulatory requirements, and in
29 developing a plan for an automated master application system.

30 (b) Each agency shall designate a business license coordinator. The coordinator
31 shall have the following responsibilities:

32 (1) To provide to the Office the most recent application and supplemental
33 forms required for each license issued by the ~~agency,~~ agency and for
34 conducting business under the regulatory authority of the agency, the
35 most recent information available on existing and proposed agency
36 rules, the most recent information on changes or proposed changes in
37 license requirements or agency rules and how those changes will affect
38 the business community, and agency publications that would be of aid
39 or interest to the business community;

40 (2) To work with the Office in scheduling conferences for applicants as
41 provided under G.S. 147-54.15;

42 (3) To determine, upon request of an applicant or the Office, the status of a
43 license application or renewal, the reason for any delay in the license

1 review process, and the action needed to end the delay; and to notify
2 the applicant or Office, as appropriate, of those findings;

3 (4) To work with the Office or applicant, upon request, to resolve any
4 dispute that may arise between the agency and the applicant during the
5 review process;

6 (4a) To determine, upon request of a business or the Office, the status of a
7 request for information or assistance regarding any requirements or
8 actions of the agency, the reason for any delay in the agency's response,
9 and the action needed to end the delay; and to notify the applicant or
10 Office, as appropriate, of those findings;

11 (4b) To work with the Office or business, upon request, to resolve any
12 dispute that may arise between the agency and business regarding the
13 compliance with laws, rules, or policies of the State or agency; and

14 (5) To review agency regulatory and license requirements and to provide a
15 written report to the Office that identifies the regulatory and licensing
16 requirements that affect the business community; indicates which, if
17 any, requirements should be eliminated, modified, or consolidated with
18 other requirements; and explains the need for continuing those
19 requirements not recommended for elimination."

20 Section 8. Article 4B of Chapter 147 of the General Statutes is amended by
21 adding a new section to read:

22 "**§ 147-54.20. Confidentiality of requests.**

23 At the request of the person or applicant, the identity of the person or other entity
24 requesting assistance or information pursuant to this Article shall remain confidential and
25 shall not be disseminated to any State agency or person outside the Office. The Secretary
26 shall adopt rules to implement this section."

27 Section 9. Effective October 1, 1999, G.S. 147-54.13.1, as enacted by this act,
28 reads as rewritten:

29 "**§ 147-54.13.1. Reporting requirements of the Secretary of State.**

30 (a) ~~The~~ At any time, the Secretary may report to the Joint Legislative Commission
31 on Governmental Operations on any recommended legislative or administrative revision
32 the Secretary determines is necessary to make State government communications and
33 relations with the public more effective and efficient.

34 (b) The Secretary shall report to the Joint Legislative Commission on
35 Governmental Operations on or before November 1 each year on the most common and
36 egregious problems the public has had in communicating with and obtaining information
37 from State agencies in the prior year. The report shall include a summary of any
38 complaints and the number, type or nature, and resolution of inquiries received by the
39 Office. The Secretary shall also report on any legislative or administrative
40 recommendations to address the problems reported that year, including proposed
41 budgetary amendments."

42 Section 10. Sections 1 through 8 and Section 10 of this act become effective
43 October 1, 1998. Section 9 of this act becomes effective October 1, 1999.