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Small Business Development and Job Creation Red Tape Watch Business Regulation Initiative

In a continuous effort to help sustain and grow the state's small businesses and create jobs, House Speaker David Ralston charged the Special House Committee on Small Business Development and Job Creation with "Red Tape Watch," a regulation review initiative.

The committee held seven "Red Tape Watch" hearings at the State Capitol throughout the 2012 Legislative Session and received over a hundred online submissions from businesses across the state via www.house.ga.gov/redtapewatch. During these hearings, more than 20 businesses owners presented testimony to the committee on issues ranging from worker's compensation to personal care home oversight. Their testimony can be found in the archives of the Small Business Development and Job Creation Committee page of the House website through the following link:

<http://www.house.ga.gov/Committees/en-US/committee.aspx?Committee=172&Session=21>.

National studies show that small business owners found regulation to be the most prevalent problem facing their business operations. A January 2012 National Federation of Independent Businesses Research Foundation poll of small business challenges reveals that small employers consistently rank government requirements and 'red tape' as the second-most important problem facing their businesses. Over the past 15 years, small businesses generated 64 percent of net new jobs and account for over half of all private sector employees. These same businesses pay 44 percent of the total U.S.'s private payroll.

A poll conducted by the Tarrance Group in September of 2011 revealed that 74 percent of voters throughout the country believe that businesses and consumers are over-regulated; two-thirds of voters believe that these regulations have increased over the past few years. Regulations exist at every level of government, and there are over 400 regulations at the federal level that directly affect entrepreneurs.

Committee Legislation

As a result of this committee's work, legislation was developed and passed during the 2012 Legislative Session. House Bill 1102 addresses hazardous site reuse and development by providing a 30-day grace period for buyers after the purchase of qualifying property, which

promotes economic development through the redevelopment of land that would be otherwise unusable due to a lack of options to address environmental concerns.

Next Steps and Conclusion

The committee heard testimony from a number of individuals and businesses that discussed a similar theme: businesses thrive most in an environment of simplicity, predictability, certainty and consistency. This committee also learned that there is not a clear set of guidelines agencies are asked to follow when developing new rules and regulations. When the General Assembly reconvenes in January, the committee will begin the task of developing guiding principles for agencies to use when adopting new regulations. The goal is to ensure that regulations strike the proper balance between maintaining the public's safety without unfairly and unnecessarily burdening our state's small businesses.

The committee also found that it provided a needed platform for some seeking assistance with various state agencies and the rules and regulations that had been enacted in their particular field. In some instances, the aggrieved had a valid complaint. In other situations, there was simply disagreement between the agency and the business subject to its regulation on exactly how certain rules were applied and should be adhered to. The committee will continue to serve in this oversight role to ensure that issues do not go unresolved or unaddressed.

While this committee is primarily focused on the state level, it will continue to closely monitor local governments and the rules and regulations they promulgate.

Key Policy Areas to Review

- Unemployment Reform
- Worker's Compensation Review
- Department of Early Care and Learning
- Duplicative Oversight Amongst Agencies