

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1240\*

Short Title: Small Business Information Assistance.

(Public)

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Sponsors: Senator Hoyle.

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Referred to: Commerce.

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May 21, 1998

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE THE BUSINESS LICENSE INFORMATION OFFICE OF  
2 THE SECRETARY OF STATE'S OFFICE TO PROVIDE INFORMATION AND  
3 ASSISTANCE TO SMALL BUSINESSES, AS RECOMMENDED BY THE  
4 BUSINESS DEVELOPMENT STUDY COMMITTEE OF THE LEGISLATIVE  
5 RESEARCH COMMISSION.  
6

7 The General Assembly of North Carolina enacts:

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

9 "**§ 147-54.11. Purpose.**

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

1 levels required for the system, and shall determine the space requirements for the office  
2 and automated system.

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

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

7 "**§ 147-54.13. Business License Information Office established; appointment of**  
8 **director.**

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

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

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

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

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

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

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

35 "**§ 147-54.14. Clearinghouse functions.**

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

- 38 (1) Establish a license information service detailing requirements for  
39 establishing and engaging in business in the State;
- 40 (2) Provide the most recent forms and information sheets for all State  
41 business licenses; ~~and~~
- 42 (3) Prepare, publish, and distribute a complete directory of all State licenses  
43 required to do business in North ~~Carolina~~—Carolina;

1           (4) Provide the public with an information resource center that disseminates  
2 information regarding State statutory and regulatory requirements to  
3 conduct business, including, but not limited to, authoritative sources and  
4 procedures; and

5           (5) Establish a program in which the Office works with the small business  
6 community to identify problems in State government related to  
7 unnecessary delays, inconsistencies between regulatory agencies, and  
8 the inefficient and ineffective uses of State resources."

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

10 **"§ 147-54.15. License coordination and assistance to applicants.**

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

12           (1) Identify the type and source of licenses that may be required and the  
13 potential difficulties in obtaining the licenses based on an informal  
14 review of a potential applicant's business at an early stage in its  
15 planning. Information provided by the Office is for guidance purposes  
16 only and may not be asserted by an applicant as a waiver or release from  
17 any license requirement. However, an applicant who uses the services  
18 of the Office as provided in this subdivision, and who receives a written  
19 statement identifying required State business licenses relating to a  
20 specific business activity, may not be assessed a penalty for failure to  
21 obtain any State business license which was not identified, provided that  
22 the applicant submits an application for each such license within sixty  
23 (60) days after written notification by the Office or the agency  
24 responsible for issuing the license;

25           (2) Arrange an informal conference between the person and the appropriate  
26 agency to clarify licensing requirements or standards, if necessary;

27           (3) Assist in preparing the appropriate application and supplemental forms;

28           (4) Monitor the license review process to determine the status of a  
29 particular license. If there is a delay in the review process, the Office  
30 may demand to know the reasons for the delay, the action required to  
31 end the delay, and shall provide this information to the applicant. The  
32 Office may assist the applicant in resolving a dispute with an agency  
33 during the application process. If a request for a license is refused, the  
34 Office may explain the recourse available to the person under the  
35 Administrative Procedure ~~Act~~-Act; and

36           (5) Provide the person with any information the person needs to comply  
37 with State laws, rules, and policies in conducting business in the State or  
38 refer the person to the particular individual in the appropriate agency to  
39 obtain the requested information."

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

41 **"§ 147-54.16. Master ~~application~~-automated system.**

42           (a) The Office shall implement and administer an automated master application  
43 system. The Office shall determine the licenses appropriate for inclusion in the master

1 application system. The Office may not include environmental licenses in the master  
2 application system.

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

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

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

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

23 "**§ 147-54.17. ~~License coordinator~~ Coordinator designated in all State agencies.**

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

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

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

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

40 (3) To determine, upon request of an applicant or the Office, the status of a  
41 license application or renewal, the reason for any delay in the license  
42 review process, and the action needed to end the delay; and to notify  
43 the applicant or Office, as appropriate, of those findings;

- 1 (4) To work with the Office or applicant, upon request, to resolve any  
2 dispute that may arise between the agency and the applicant during the  
3 review process;
- 4 (4a) To determine, upon request of a business or the Office, the status of a  
5 request for information or assistance regarding any requirements or  
6 actions of the agency, the reason for any delay in the agency's response,  
7 and the action needed to end the delay; and to notify the applicant or  
8 Office, as appropriate, of those findings;
- 9 (4b) To work with the Office or business, upon request, to resolve any  
10 dispute that may arise between the agency and business regarding the  
11 compliance with laws, rules, or policies of the State or agency; and
- 12 (5) To review agency regulatory and license requirements and to provide a  
13 written report to the Office that identifies the regulatory and licensing  
14 requirements that affect the business community; indicates which, if  
15 any, requirements should be eliminated, modified, or consolidated with  
16 other requirements; and explains the need for continuing those  
17 requirements not recommended for elimination."

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

20 "**§ 147-54.20. Confidentiality of requests.**

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

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

27 "**§ 147-54.13.1. Reporting requirements of the Secretary of State.**

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

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

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