

CHAPTER 387

(HB 588)

AN ACT relating to small business.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

- (1) *There is created the Commission on Small Business Advocacy. The commission shall be a separate administrative body of state government within the meaning of KRS 12.010(8).*
- (2) *It shall be the purpose of the Commission on Small Business Advocacy to:*
 - (a) *Address matters of small business as it relates to government affairs;*
 - (b) *Promote a cooperative and constructive relationship between state agencies and the small business community to ensure coordination and implementation of statewide strategies that benefit small business in the Commonwealth;*
 - (c) *Coordinate and educate the small business community of federal, state, and local government initiatives of value and importance to the small business community;*
 - (d) *Create a process by which the small business community is consulted in the development of public policy as it affects their industry sector;*
 - (e) *Aid the small business community in navigating the regulatory process, when that process becomes cumbersome, time consuming, and bewildering to the small business community; and*
 - (f) *Advocate for the small business, as necessary when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth.*
- (3) *The Commission on Small Business Advocacy shall consist of twenty-seven (27) members:*
 - (a) *The Governor, or the Governor's designee;*
 - (b) *The secretaries of the following cabinets, or their designees:*
 1. *Economic Development;*
 2. *Natural Resources and Environmental Protection;*
 3. *Revenue; and*
 4. *Transportation;*
 - (c) *The state director of the Small Business Development Centers in Kentucky;*
 - (d) *One (1) representative of each of the following organizations, appointed by the Governor from a list of three (3) nominees submitted by the governing bodies of each organization:*
 1. *Associated Industries of Kentucky;*
 2. *National Federation of Independent Business;*
 3. *Kentucky Chamber of Commerce;*

4. *Kentucky Federation of Business and Professional Women's Club, Inc.*
 5. *Kentucky Retail Federation;*
 6. *Professional Women's Forum;*
 7. *Kentuckiana Minority Supplier Development Council;*
 8. *Greater Lexington Chamber of Commerce*
 9. *Lexington chapter of the National Association of Women Business Owners;*
 10. *Greater Louisville, Inc.;*
 11. *Louisville chapter of the National Association of Women Business Owners;*
 12. *Northern Kentucky Chamber of Commerce, Inc.;*
 13. *Northern Kentucky - Greater Cincinnati chapter of the National Association of Women Business Owners; and*
 14. *Bowling Green chapter of the National Association of Women Business Owners;*
 15. *Henderson - Henderson County Chamber of Commerce;*
- (e) *One (1) representative from small business from each of the following areas, appointed by the Governor:*
1. *A city of the second class;*
 2. *A city of the third class;*
 3. *A city of the fourth class; and*
 4. *A city of the fifth class; and*
- (f) *One (1) representative who is a small business owner served by each of the following organizations, appointed by the Governor:*
1. *The Center for Rural Development; and*
 2. *Community Ventures Corporation.*
- (4) *The terms of all members appointed by the Governor shall be for four (4) years, except that the original appointments shall be staggered so that seven (7) appointments shall expire at two (2) years, seven (7) appointments shall expire at three (3) years, and seven (7) appointments shall expire at four (4) years from the dates of initial appointment.*
- (5) *The Governor shall appoint the chair and vice chair of the commission from the list of appointed members.*
- (6) *The commission shall meet quarterly and at other times upon call of the chair or a majority of the commission.*
- (7) *A quorum shall be a majority of the membership of the commission.*
- (8) *Members of the commission shall serve without compensation but shall be reimbursed for their necessary travel expenses actually incurred in the discharge of their duties on the commission, subject to Finance and Administration Cabinet administrative regulations.*
- (9) *There shall be an executive director, who shall be the administrative head and chief executive officer of the commission, recommended by the commission and appointed by*

the Governor. The executive director shall have authority to hire staff, contract for services, expend funds, and operate the normal business activities of the commission.

- (10) *The Commission on Small Business Advocacy shall be an independent agency attached to the Office of the Governor.***

SECTION 2. A NEW SECTION OF KRS CHAPTER 11 IS CREATED TO READ AS FOLLOWS:

- (1) *The duties of the Commission on Small Business Advocacy shall include, but not be limited to:***
- (a) *Coordinate and promote the awareness of the Federal Small Business Regulatory Enforcement Fairness Act of 1996, and its subsequent amendments within the small business community of the Commonwealth;***
 - (b) *Develop a process by which the small business community is made aware of state legislation and administrative regulations affecting it, both prior to its enactment and during its implementation;***
 - (c) *Advocate for the small business sectors when state legislation and administrative regulations are overly burdensome, costly, or harmful to the success and growth of the sector; and***
 - (d) *Collect information and research those public policies and government practices which are helpful or detrimental to the success and growth of the small business community.***
- (2) *By September 1 of each year, the commission shall submit a report to the Governor and the Interim Joint Committee on Economic Development and Tourism detailing its work in the prior fiscal year, including, but not limited to the following:***
- (a) *Activities and achievements of the commission in accomplishing its purposes and duties;***
 - (b) *Findings of the commission related to its collection of information and research on public policies and government practices affecting small businesses, including specific legislation and administrative regulations that are helpful or detrimental to the success of small businesses; and***
 - (c) *Specific recommendations of ways state government could better promote the economic development efforts of small businesses in the Commonwealth.***

Section 3. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily-authorized executive order; except in the case of the Personnel Board and where the attached department or administrative body is headed by a constitutionally elected officer, the attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body.

I. Cabinet for General Government - Departments headed by elected officers:

1. The Governor.
2. Lieutenant Governor.
3. Department of State.
 - (a) Secretary of State.
 - (b) Board of Elections.
 - (c) Registry of Election Finance.
4. Department of Law.
 - (a) Attorney General.
5. Department of the Treasury.
 - (a) Treasurer.
6. Department of Agriculture.
 - (a) Commissioner of Agriculture.
 - (b) Kentucky Council on Agriculture.
7. Superintendent of Public Instruction.
8. Auditor of Public Accounts.
9. Railroad Commission.

II. Program cabinets headed by appointed officers:

1. Justice Cabinet:
 - (a) Department of State Police.
 - (b) Department of Criminal Justice Training.
 - (c) Department of Corrections.
 - (d) Department of Juvenile Justice.
 - (e) Office of the Secretary.
 - (f) Offices of the Deputy Secretaries.
 - (g) Office of General Counsel.
 - (h) Division of Kentucky State Medical Examiners Office.
 - (i) Parole Board.
 - (j) Kentucky State Corrections Commission.
 - (k) Commission on Correction and Community Service.
2. Education, Arts, and Humanities Cabinet:
 - (a) Department of Education.
 - (1) Kentucky Board of Education.

- (2) Education Professional Standards Board.
 - (b) Department for Libraries and Archives.
 - (c) Kentucky Arts Council.
 - (d) Kentucky Educational Television.
 - (e) Kentucky Historical Society.
 - (f) Kentucky Teachers' Retirement System Board of Trustees.
 - (g) Kentucky Center for the Arts.
 - (h) Kentucky Craft Marketing Program.
 - (i) Kentucky Commission on the Deaf and Hard of Hearing.
 - (j) Governor's Scholars Program.
 - (k) Governor's School for the Arts.
 - (l) Operations and Development Office.
 - (m) Kentucky Heritage Council.
 - (n) Kentucky African-American Heritage Commission.
 - (o) Board of Directors for the Center for School Safety.
3. Natural Resources and Environmental Protection Cabinet:
- (a) Environmental Quality Commission.
 - (b) Kentucky Nature Preserves Commission.
 - (c) Department for Environmental Protection.
 - (d) Department for Natural Resources.
 - (e) Department for Surface Mining Reclamation and Enforcement.
 - (f) Office of Legal Services.
 - (g) Office of Information Services.
4. Transportation Cabinet:
- (a) Department of Highways.
 - (b) Department of Vehicle Regulation.
 - (c) Department of Administrative Services.
 - (d) Department of Fiscal Management.
 - (e) Department of Rural and Municipal Aid.
 - (f) Office of General Counsel.
 - (g) Office of Public Affairs.
 - (h) Office of Personnel Management.
 - (i) Office of Minority Affairs.
 - (j) Office of Environmental Affairs.

- (k) Office of Policy and Budget.
5. Cabinet for Economic Development:
- (a) Department of Administration and Support.
 - (b) Department of Job Development.
 - (c) Department of Financial Incentives.
 - (d) Department of Community Development.
 - (e) Tobacco Research Board.
 - (f) Kentucky Economic Development Finance Authority.
6. Public Protection and Regulation Cabinet:
- (a) Public Service Commission.
 - (b) Department of Insurance.
 - (c) Department of Housing, Buildings and Construction.
 - (d) Department of Financial Institutions.
 - (e) Department of Mines and Minerals.
 - (f) Department of Public Advocacy.
 - (g) Department of Alcoholic Beverage Control.
 - (h) Kentucky Racing Commission.
 - (i) Board of Claims.
 - (j) Crime Victims Compensation Board.
 - (k) Kentucky Board of Tax Appeals.
 - (l) Backside Improvement Commission.
 - (m) Office of Petroleum Storage Tank Environmental Assurance Fund.
7. Cabinet for Families and Children:
- (a) Department for Social Insurance.
 - (b) Department for Social Services.
 - (c) Public Assistance Appeals Board.
 - (d) Office of the Secretary.
 - (e) Office of the General Counsel.
 - (f) Office of Program Support.
 - (g) Office of Family Resource and Youth Services Centers.
 - (h) Office of Technology Services.
 - (i) Office of the Ombudsman.
 - (j) Office of Aging Services.

8. Cabinet for Health Services.
 - (a) Department for Public Health.
 - (b) Department for Medicaid Services.
 - (c) Department for Mental Health and Mental Retardation Services.
 - (d) Kentucky Commission on Children with Special Health Care Needs.
 - (e) Office of Certificate of Need.
 - (f) Office of the Secretary.
 - (g) Office of the General Counsel.
 - (h) Office of Program Support.
 - (i) Office of the Inspector General.
9. Finance and Administration Cabinet:
 - (a) Office of Legal and Legislative Services.
 - (b) Office of Management and Budget.
 - (c) Office of Financial Management and Economic Analysis.
 - (d) Office of the Controller.
 - (e) Department for Administration.
 - (f) Department of Facilities Management.
 - (g) Department of Information Systems.
 - (h) State Property and Buildings Commission.
 - (i) Kentucky Pollution Abatement Authority.
 - (j) Kentucky Savings Bond Authority.
 - (k) Deferred Compensation Systems.
 - (l) Office of Equal Employment Opportunity Contract Compliance.
 - (m) Office of Capital Plaza Operations.
 - (n) County Officials Compensation Board.
 - (o) Kentucky Employees Retirement Systems.
 - (p) Commonwealth Credit Union.
 - (q) State Investment Commission.
 - (r) Kentucky Housing Corporation.
 - (s) Governmental Services Center.
 - (t) Kentucky Local Correctional Facilities Construction Authority.
 - (u) Kentucky Turnpike Authority.
 - (v) Historic Properties Advisory Commission.

- (w) Kentucky Kare Health Insurance Authority.
10. Labor Cabinet:
- (a) Department of Workplace Standards.
 - (b) Department of Workers' Claims.
 - (c) Kentucky Labor-Management Advisory Council.
 - (d) Occupational Safety and Health Standards Board.
 - (e) Prevailing Wage Review Board.
 - (f) Workers' Compensation Board.
 - (g) Kentucky Employees Insurance Association.
 - (h) Apprenticeship and Training Council.
 - (i) State Labor Relations Board.
 - (j) Kentucky Occupational Safety and Health Review Commission.
 - (k) Office of Administrative Services.
 - (l) Office of Labor-Management Relations and Mediation.
 - (m) Office of General Counsel.
 - (n) Workers' Compensation Funding Commission.
 - (o) Employers Mutual Insurance Authority.
11. Revenue Cabinet:
- (a) Department of Property Valuation.
 - (b) Department of Tax Administration.
 - (c) Office of Financial and Administrative Services.
 - (d) Department of Law.
 - (e) Department of Information Technology.
 - (f) Office of Taxpayer Ombudsman.
12. Tourism Development Cabinet:
- (a) Department of Travel.
 - (b) Department of Parks.
 - (c) Department of Fish and Wildlife Resources.
 - (d) Kentucky Horse Park Commission.
 - (e) State Fair Board.
 - (f) Office of Administrative Services.
 - (g) Office of General Counsel.
13. Cabinet for Workforce Development:

- (a) Department for Adult Education and Literacy.
 - (b) Department for Technical Education.
 - (c) Department of Vocational Rehabilitation.
 - (d) Department for the Blind.
 - (e) Department for Employment Services.
 - (f) State Board for Adult and Technical Education.
 - (g) Governor's Council on Vocational Education.
 - (h) The State Board for Proprietary Education.
 - (i) The Foundation for Adult Education.
 - (j) The Kentucky Job Training Coordinating Council.
 - (k) Office of General Counsel.
 - (l) Office of Communication Services.
 - (m) Office of Development and Industry Relations.
 - (n) Office of Workforce Analysis and Research.
 - (o) Office for Administrative Services.
 - (p) Office for Policy and Budget.
 - (q) Office of Personnel Services.
 - (r) Unemployment Insurance Commission.
14. Personnel Cabinet:
- (a) Office of Administrative and Legal Services.
 - (b) Department for Personnel Administration.
 - (c) Department for Employee Relations.
 - (d) Kentucky Public Employees Deferred Compensation Authority.
 - (e) Kentucky Kare.
 - (f) Division of Performance Management.
 - (g) Division of Employee Records.
 - (h) Division of Staffing Services.
 - (i) Division of Classification and Compensation.
 - (j) Division of Employee Benefits.
 - (k) Division of Communications and Recognition.
- III. Other departments headed by appointed officers:
- 1. Department of Military Affairs.
 - 2. Council on Postsecondary Education.

- (a) Kentucky Commission on Community Volunteerism and Service.
3. Department for Local Government.
 4. Kentucky Commission on Human Rights.
 5. Kentucky Commission on Women.
 6. Department of Veterans' Affairs.
 7. Kentucky Commission on Military Affairs.
 8. Office of the Chief Information Officer.
 9. *Commission on Small Business Advocacy.*

Section 4. KRS 12.023 is amended to read as follows:

The following organizational units and administrative bodies shall be attached to the Office of the Governor:

- (1) Council on Postsecondary Education;
- (2) Department of Military Affairs;
- (3) Department for Local Government;
- (4) Kentucky Commission on Human Rights;
- (5) Kentucky Commission on Women;
- (6) Kentucky Commission on Military Affairs;
- (7) Coal Marketing and Export Council;
- (8) Governor's Office of Child Abuse and Domestic Violence Services;
- (9) Office of the Chief Information Officer; ~~and~~
- (10) Office of Coal Marketing and Export; *and*
- (11) *Commission on Small Business Advocacy.*

Approved April 7, 2000