



Dear Members of the 108th General Assembly,

The 2013 Annual Report of the Office of Small Business Advocate is prepared in accordance with Tenn. Code Ann. § 8-4-706. This report provides an overview of the Office's activities during the past year as we work to improve small business owners' interactions with their state government in Tennessee. Thank you for your consideration of this report, and please do not hesitate to contact me if you have any questions.

Lauren V. Plunk
Small Business Advocate

GOALS

The Office of Small Business Advocate's goals include:

- To answer questions and provide information to residents of this state who are starting a small business or who already own a small business.
- To informally mediate and assist with the resolution of issues concerning small business owners and state departments and agencies.
- To work with each state agency and department with regulatory authority over businesses to ensure that small business owners who receive or are subject to an audit, on-site inspection, compliance assistance effort, or other enforcement related communication or contact by agency or department personnel are provided with a means to communicate or comment on the enforcement activity conducted by such personnel.
- To establish means to receive comments from small business owners regarding actions by agency or department employees conducting compliance or enforcement activities.
- To establish means to refer comments from small business owners to the contact person of the affected agency or department in the appropriate circumstances and to maintain the confidentiality of the identity of the person making such comments.

HISTORY OF THE OFFICE

On July 1, 2010, Public Chapter 1129, Acts of 2010 became law and established the Office of Small Business Advocate (Tenn. Code Ann. § 8-4-701 et seq.). The Office of Small Business Advocate is administratively attached to the Office of the Comptroller of the Treasury. The mission of the Comptroller's Office is to improve the quality of life for all Tennesseans by making government work better. The Office of Small Business Advocate serves as a point of contact to state government for owners of businesses with fifty (50) or fewer employees. The Office is currently staffed by Lauren Plunk, Small Business Advocate and Richard Wilson, Legislative Small Business Assistant.

BY THE NUMBERS

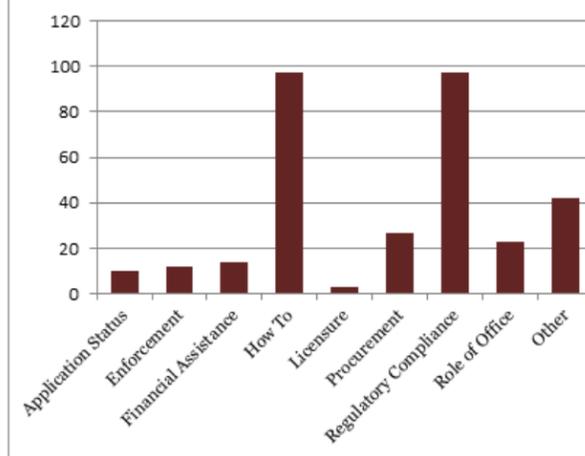
June 30, 2012—July 1, 2013:

- The Office assisted businesses with **325** inquiries this year — a **45%** increase from last year.
- The Office continues to participate in interviews, articles, & guest columns.
- The Office presented to multiple community groups and civic organizations around Tennessee this year.

AGENCY CONTACTS

As required by Tennessee Code Annotated Section 8-4-703, thirty-two (32) state departments and agencies report having regulatory authority over business and have provided the Office of Small Business Advocate with a contact person. These contacts assist in the resolution of issues involving their agency. A complete list of agencies reporting regulatory authority and the official agency contact can be found at www.comptroller.tn.gov/OSBA/ContactList

Number of Inquiries by Topic



EXAMPLES OF QUESTIONS AND ISSUES

Application Status:

- Can you check on the status of a particular permit or application that I filed?

Enforcement:

- The Department is telling me that I owe X amount in taxes or fees. Can you assist me with resolving this issue?
- The Department is telling me that I am required to get this type of licensure or permit. I disagree; can you assist me with resolving this issue?

Financial Assistance:

- Is there financial assistance, grant money, or a loan program available to start a particular type of small business?

"How To" Questions:

- How do I open a business in Tennessee?
- How do I register with the State for tax purposes?

Licensure:

- Do I need a license to operate this type of business?
- What are the requirements to receive this type of licensure?
- How does the licensure application process work?

Procurement:

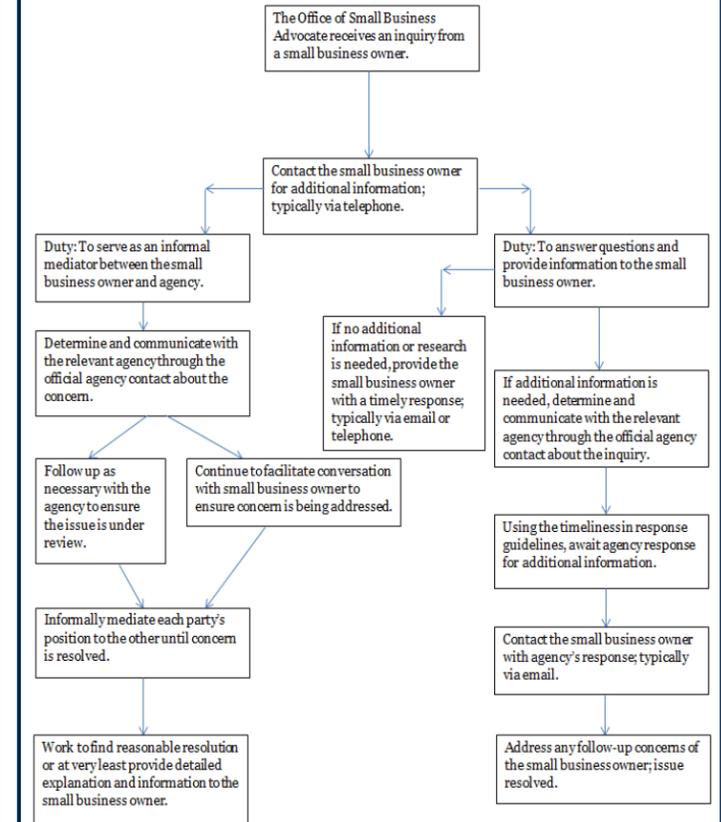
- How do I register to do business with the State?
- What certifications are available to small businesses?

Regulatory Compliance:

- What are the regulatory obligations to open a particular type of business?
- Do I need to collect sales tax for this type of business activity?
- How do I close out my business?

INQUIRY PROCESS

The Office provides advice and guidance orally and in writing to small business owners. All issues are addressed through phone calls and/or emails.



IMPORTANT LINKS

Agency and Department Comment Form:

www.comptroller.tn.gov/OSBA/feedback.asp

Office of Small Business Advocate Frequently Asked Questions:

www.comptroller.tn.gov/OSBA/FAQ.asp

Office of Small Business Advocate Presentations:

www.comptroller.tn.gov/OSBA/presentations.asp

Office of Small Business Advocate Statutory Authority:

www.comptroller.tn.gov/OSBA/Law.asp

AGENCY RATING

Tennessee Code Annotated Section 8-4-705 requires the Office of Small Business Advocate to annually evaluate and report to the General Assembly state government's responsiveness to small business owners' concerns. On January 1, 2013, the rating system was implemented consisting of two components: timeliness in responding to small business owners inquiries and an agency questionnaire.

TIMELINESS IN RESPONSE

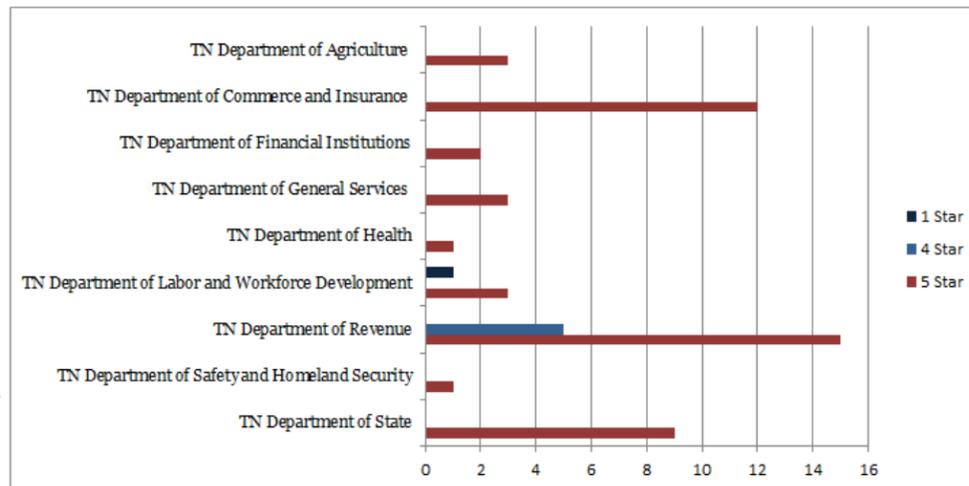
5 STARS = response provided within seven days or less.

4 STARS = response provided in seven to fourteen days.

1 STAR = response provided in fifteen to thirty days.

Responses are calculated from the day a comment is forwarded to the agency until the day the Office of Small Business Advocate receives a response.

Agencies not listed did not receive a relevant inquiry during the period January 1, 2013—June 30, 2013.



AGENCY QUESTIONNAIRE

Over the past year, each state agency that has regulatory authority over small business was provided with a questionnaire. The goal of the Agency Questionnaire is to ensure state government is responsive to small business owners by encouraging polite, easy to understand, customer-focused actions when possible and ensuring that small business owners have the information they need to comply with state law and regulation in the least burdensome way. The Office of Small Business Advocate provide each agency that reports regulatory authority over business the following questions. The complete response has been filed with the Commerce and Labor Committee of the Senate and the Business and Utilities Committee of the House of Representatives. To view the complete report, including agency responses, please visit www.comptroller.tn.gov/OSBA/reports.asp

1. Does your agency have regulatory compliance assistance available on your website or any published or education information available for small business owners?
2. Does your agency currently have any assistance programs, policies, or procedures in place that reflect your agency's commitment to small business owners' concerns?
3. Does your agency currently conduct a regulatory flexibility analysis as required by Tennessee Code Annotated Section 4-5-402, the Regulatory Flexibility Act of 2007, as part of your agency's rulemaking process to determine whether a proposed rule or rules affects small businesses?
4. Does your agency currently prepare an economic impact statement as an addendum for each rule that is deemed to affect small businesses as required by Tennessee Code Annotated Section 4-5-403, the Regulatory Flexibility Act of 2007?
5. Please provide any additional information or comment that would be of value in determining how responsive your agency is to small business owners' concerns.
6. Does your agency inform small business owners about the availability of the Office of Small Business Advocate to receive their comments regarding the agency's enforcement actions?
7. Please provide any additional information or comment that would be of value in determining the extent to which your agency notifies small business owners about the existence of the Office of Small Business Advocate.



Office of Small Business Advocate

2013 Annual Report

Lauren V. Plunk
Small Business Advocate

Office of Small Business Advocate
James K. Polk Building
505 Deaderick Street, Suite 1700
Nashville, Tennessee 37243

Telephone: 615.401.7806
Toll-free Telephone: 1.866.831.3750
Email: smallbusiness.advocate@cot.tn.gov
Web: www.comptroller.tn.gov/OSBA