

BILL ANALYSIS

C.S.H.B. 4067
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International Relations & Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The coronavirus pandemic and other recent state emergencies have highlighted the ongoing need for small business assistance during times of economic difficulty stemming from a local, state, or national crisis. Data shows that small businesses in certain areas of Texas lost over 60 percent of their revenue due to the pandemic. The governor's Office of Small Business Assistance assists small and medium-sized Texas businesses through advocacy, entrepreneurial support, education, and technical assistance. With the significant increase in the number of small businesses that are in need of assistance during this time, additional staff with specific expertise may be needed to provide those services. C.S.H.B. 4067 seeks to address this issue by requiring the Office of Small Business Assistance to establish and administer the small business assistance disaster recovery program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4067 amends the Government Code to require the Office of Small Business Assistance to establish and administer the small business assistance disaster recovery program to provide small businesses in Texas that have been economically affected by a declared disaster with resources and assistance. The resources and assistance may include the following:

- information regarding or assistance securing state and federal funding;
- technical or financial opportunities available to the small business;
- information regarding regulations applicable to the small business; and
- general information and resources related to taxes and accounting, loan refinancing, basic bankruptcy procedures, restructuring, and debt protection and forgiveness options.

The bill prohibits the office from providing a small business with direct legal or accounting advice but authorizes the office to provide the following:

- general resources and information regarding legal or accounting issues faced by small businesses; and
- referrals to lawyers, accountants, or entities that provide legal or accounting advice to small businesses.

The bill defines "declared disaster" as a disaster declared by the president of the United States or a state of disaster declared by the governor.

C.S.H.B. 4067 requires the office, to the extent money is available, to employ at least two employees to administer the program. A person hired for that purpose must have been approved by the small business advocate designated by the executive director of the Texas Economic Development and Tourism Office (TEDTO). Information collected from a small business under the program is confidential and is not subject to disclosure under state public information law. Implementation of a provision of the bill by TEDTO is mandatory only if a specific appropriation is made for that purpose.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4067 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include provisions which were included in the original relating to the establishment of a small business ombudsman program within the Texas Workforce Commission and relating to the creation of a small business ombudsman fund. The substitute includes provisions that were absent from the original relating to the establishment of a small business assistance disaster recovery program by the Office of Small Business Assistance to offer similar services.

With regard to legal and accounting services, the two versions differ as follows:

- the original did not specify the nature of resources for legal and accounting services to be provided, but authorized the proposed program to employ one licensed certified public accountant and one licensed attorney; whereas
- the substitute expressly prohibits the office from providing direct legal or accounting advice, but authorizes the provision of general resources, information, and referrals to appropriate professionals.

The substitute includes a standard appropriations contingency provision which was not included in the original and changes the bill caption