



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 144 of the 129th G.A.](#)

Date: March 21, 2011

Status: As Introduced

Sponsor: Reps. Dovilla and Baker

Local Impact Statement Procedure Required: No

Contents: Creates an online Small Business Resource Center

State Fiscal Highlights

- The Department of Development would incur minimal one-time costs to create an online Small Business Resource Center on its existing web site. These costs would be paid from the Supportive Services Fund (Fund 1350).
- Depending on the extent of their involvement in the project, the Secretary of State and the Department of Administrative Services could also incur some additional information technology costs. Any cost the Secretary of State's office incurs would be paid from the Corporate and Uniform Commercial Code Filing Fund (Fund 5990). Any expenses that the Department of Administrative Services incurs would be borne by the GRF.
- The Department of Development's Entrepreneurship and Small Business Division would incur minimal additional GRF costs in order to conduct an annual online resource survey of small business groups.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Overview

The bill requires the Ohio Department of Development (ODOD) to coordinate with the Secretary of State's office to create a centralized online Small Business Resource Center on the ODOD web site. The bill requires the Small Business Resource Center to include or provide links to at least the following information of concern to businesses operating in Ohio:

- Steps to starting a small business;
- Workforce availability;
- Regulatory requirements;
- Licenses and permits;
- Loans and financing opportunities;
- Tax requirements, deadlines, and forms;
- Small business advocacy opportunities;
- Frequently asked questions (FAQs);
- The Ohio Business Gateway;
- State procurement opportunities; and
- Workers' compensation requirements.

In addition, the bill requires that the Small Business Resource Center allow persons to register online to receive updates relevant to small businesses, but explicitly states that a person must not be required to register in order to access information on the site. The bill also requires ODOD to conduct an annual consultation or survey of small business groups in Ohio in order to assess available online resources and to gather information on useful resources for small businesses. Overall, the Department of Development will incur a small one-time additional cost to make the web site enhancements and some small recurring annual cost to survey small businesses.

Current web site functionality

Currently, ODOD's Entrepreneurship and Small Business Division (ESBD) maintains a web site that, to some extent or another, offers direct or indirect access to much of the information required by the bill. In some cases, this is provided through pages hosted by ODOD, and in other cases through external links to other state agencies with which small businesses interact. One key component is the 1st Stop Business Connection, a web site operated in cooperation with Ohio's Small Business Development Centers (SBDCs). The 1st Stop Business Connection requires interested persons to register for free in order to create and receive a small business information kit containing materials on state regulations and requirements for starting a small business.

The Division's web site provides a link to the 1st Stop Business Connection and hosts selected information on financing tools and microenterprise opportunities. The web site also includes pages for the SBDCs, the Small Business Advocate, the Small Business Directory, the Small Business Register, an FAQ page, and other information for small businesses. In addition, the site provides links to other state agencies with which small businesses must interact. Among these are the Secretary of State, Department of Taxation, and Bureau of Workers' Compensation. In most cases, external links point to agency home pages rather than to specific information tailored to small businesses. Links to the Ohio Business Gateway, the state's business portal, and other state and federal resources are also provided.

Cost of revamping current web site

Currently, the content of ESBD's web site is developed by the Division, while the site is maintained by ODOD's information technology (IT) staff. ODOD would incur one-time costs for IT and the Office of Communications to reconfigure the web site in order to provide the centralized Small Business Resource Center prescribed by the bill, including enabling registration to receive updates, a feature not currently offered. The extent to which the Secretary of State's office would need to be involved under the bill is unclear; at a minimum, it could involve directly linking to the Secretary's web site for business filings (currently, the Division's web site links only to the Secretary's home page). ODOD might also need to coordinate any web site upgrades with the Department of Administrative Services and the Ohio Office of Information Technology to determine the extent to which changes can be integrated with the existing Ohio Business Gateway. Depending on the frequency of updates and other factors, any additional ongoing costs ODOD incurs to maintain the web site would likely not be more than minimal.

ODOD's cost for IT work required to redesign the web site would be paid from line item 195684, Supportive Services, which is supported by assessments on ODOD's divisions deposited into the Supportive Services Fund (Fund 1350) to cover central administrative costs. ESBD would also incur some additional costs to conduct the annual survey of small business groups on the subject of online resources. Although most likely minimal, the cost would depend on the form and extent of the survey and the amount of time required to complete it. These costs would most likely be borne by GRF line item 195404, Small Business Development.

Any additional costs incurred by the Office of Information Technology would be borne by GRF line item 100418, Web Sites and Business Gateway, in the budget of the Department of Administrative Services. Finally, any costs the Secretary of State incurs would be paid from line item 050603, Business Services Operating Expenses. This line item is supported by corporate filing fees and other income deposited into the Corporate and Uniform Commercial Code Filing Fund (Fund 5990).