

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Consumer and Business Services, Office of Minority, Women and Emerging Small Business

445

Agency and Division

Administrative Rules Chapter Number

In the Matter of:

Amending OAR Chapter 445-050-0115 to 445-050-0135, relating to creating new provisions for ESB program.

**RULE CAPTION**

The Emerging Small Business eligibility requirements are modified to create a two-tier designation system.

Statutory Authority:

ORS 200.005 to 200.075, 200.150 to 200.200 and 279.059

Statutes Implemented:

2005 Oregon Laws Chapter 683 (Senate Bill (SB) 173)

**Need for Rule**

The purpose of this rule is to modify the Emerging Small Business (ESB) program eligibility requirements for certification as allowed by 2005 Oregon Laws Chapter 683 (SB 173.)

**Documents Relied Upon for Rulemaking**

The following documents were relied upon to amend this rule: Oregon Laws Chapter 683 (SB173), available on the internet at [http://www.leg.state.or.us/bills\\_laws/](http://www.leg.state.or.us/bills_laws/); and the Portland-Salem Consumer Price Index for All Urban Consumers for All Items, available on the internet at <http://www.bls.gov> or contact the Department of Consumer and Business Services at [omwesb.web@state.or.us](mailto:omwesb.web@state.or.us).

**Fiscal and Economic Impact**

There is no negative fiscal impact on small businesses. There are approximately 2,000 firms certified by the State of Oregon. Creating a two tier designation for the ESB program, extending certification from seven to twelve years (6 years in each tier), and allowing reinstatement of formerly certified businesses that have eligibility remaining under new requirements will increase the size of companies that have access to the program and lengthen their ability to participate. This will increase revenue for some businesses as well as provide a small reduction in administrative costs; however, with available data we are unable to project the exact dollar impact.

The change in certification will cause a small increase in workload for the Office of Minority, Women and Emerging Small Business. Changes to the database will be required to accommodate the change. The programming hours for changing the ESB database are estimated to be 100 hours at \$60 per hour totaling \$6,000. An additional \$1,500 for form development and form printing costs equals \$7,500. The OMWESB will absorb this workload and programming cost with existing resources.

Restoration of the Emerging Small Business Account to the Highway Fund will alleviate the need for interagency transfers, since ODOT currently administers the fund. This will have a negligible impact on both the Department of Consumer and Business Services and the Department of Transportation.

**ESB Advisory Committee**

Administrative Rule Advisory Committee consulted?: Yes

An Emerging Small Business advisory committee convened to establish these proposed amendments. The advisory committee included a member of the public that owns a small business. Committee members provided input regarding the intent of Senate Bill 173 and concluded that the Office and Minority, Women and Emerging Small Business would be the only agency significantly affected by the change.

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Signer and Date\_\_\_\_\_  
Printed name