

Federal and State Regulations

Chapter 22

Unit 5

Performance Objectives:

You will read about business regulations in general, and then use a government Web site to help determine which federal business regulations apply to your business. You will list and write a brief description of each law that applies to your business. You will read about and summarize the state regulations which affect your business at the same Web site. You will then visit your state Small Business Administration (SBA) Web site and determine which additional state regulations apply to your business. You will develop an action plan on how to address compliance with each of the regulations. You will use the Internet to locate your local Small Business Development Center (SBDC) and arrange to visit to discuss local business regulations.

Evaluation Criteria:

Successful completion of this chapter requires you to:

- § Read about Federal business regulations.
- § Read about State business regulations.
- § Describe which regulations apply to your business.
- § Describe how these regulations will affect your business decisions.
- § Locate your local SBDC office.
- § Visit your local SBDC office to discuss how the SBDC can be of assistance to you in starting your business.

Task 1: Federal Regulations

Click on the link [Federal Regulations](#)¹ from the U.S. Chamber of Commerce [ChamberBiz](#)² Web site. Read about the federal regulations with which you must comply. List the regulations below and write a brief description of each.

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

¹Federal Regulations: http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_0140

²Chamberbiz: <http://www.chamberbiz.com>

Task 2: State Regulations

Read the information below and summarize how each regulation affects your business.

1. Family and Medical Leave

Employers with 50 or more employees are required to give their employees up to 12 weeks of unpaid leave each year for the birth or adoption of a child or to take care of an immediate family member or themselves under the Family and Medical Leave Act. The leave does not have to be taken all at once and, in some cases, can be taken one day at a time. After the 12 weeks leave, the employer must reinstate the employee in the same or a comparable position in the company.

Some states have family or medical leave laws that place requirements on private employers with fewer than 50 employees. As of this printing, these states are:

- Colorado
- District of Columbia
- Louisiana
- Maine
- Massachusetts
- Minnesota
- New York
- Oregon
- South Carolina
- Vermont
- Washington

Some states have specific employer requirements for pregnancy and adoption situations. These states are:

- California
- Colorado
- Iowa
- Kansas
- Kentucky
- Maryland
- Massachusetts
- Montana
- New Hampshire
- New York
- Pennsylvania
- Washington

For more information on the Family and Medical Leave Policy of any of the states listed above, go to the [ChamberBiz](#) Web site. Click the following link [Family and Medical Leave³](#) to read about your state's policies.

³Family and Medical Leave: http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_4370

How does your state's family and medical leave laws affect your business?

2. **Jury Duty Leave**

All employers must give employees time off to attend jury duty. There is a federal law that protects employees while serving on the jury in a federal court. There are state laws which protect employees while serving on state or local juries. Some states require employers to pay employees during jury duty leave; other states do not have this requirement.

Click on the following link [Jury Duty](#)⁴ from the [ChamberBiz](#) Web site to learn more about your state's policies.

How do your state's laws on jury duty affect your business?

⁴Jury Duty: http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_4340

3. State Minimum Wage

You learned about federal minimum wage and the Fair Labor Standards Act (FLSA) in the previous task. The federal Fair Labor Standards Act requires, among other things, that a minimum wage be established, and that all nonexempt employees be paid that minimum wage.

Remember, your company is subject to the FLSA and you must comply with it if you meet these two criteria:

- you have employees engaged in handling, selling, or otherwise working on goods or materials that have been moved in, or produced for, interstate or foreign commerce by any person
- you have gross yearly sales of at least \$500,000

So – if your business has gross yearly sales of **less than** \$500,000, you are not subject to the FLSA.

Click on the following link [State Minimum Wage](#)⁵ from the [ChamberBiz](#) Web site to see what your state requires.

How do your state's minimum wage laws affect your business?

4. Overtime

Another provision of the Fair Labor Standards Act is that employers are required to pay overtime. Some states have specific regulations of their own regarding overtime pay.

Click on the following link [State Overtime Pay](#)⁶ from the [ChamberBiz](#) Web site to see what your state requires.

How do your state's overtime laws affect your business?

⁵State Minimum Wage: http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_4046

⁶State Overtime Pay: http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_4053

5. Sexual Harassment

All employers must comply with the federal or state regulations (which ever set of regulations provides more protection to the employee) regarding sexual harassment.

Click on the following link [State Laws on Sexual Harassment](#)⁷ from the [ChamberBiz](#) Web site to see what your state requires.

How do your state's sexual harassment laws affect your business?

6. State Firing Restrictions

Many states have their own versions of civil rights laws, and impose them on employers who are too small to be covered by the federal antidiscrimination laws.

Click on the following link [State Firing Restrictions](#)⁸ from the [ChamberBiz](#) Web site to see what your state requires.

How do your state's firing restrictions affect your business?

⁷State Laws on Sexual Harassment:
http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_5190

⁸State Firing Restrictions: http://www.uschamberssmallbusinessnation.com/toolkits/guide/P05_8120

7. Tax Information

Business owners need to be knowledgeable about both federal and state tax laws. Even if you can afford to have a tax professional handle your taxes, it's a good idea to have a solid understanding of the tax laws that apply to your business.

Click on the following link [Your State Tax Obligation](#)⁹ from the [ChamberBiz](#) Web site to see what your state requires.

There is information on initial formation and filing and licensing fees, the state taxes imposed on your business income, and the various sales and use tax issues specific to your state.

How do your state's tax laws affect your business?

⁹Your State Tax Obligation: http://www.uschambersmallbusinessnation.com/toolkits/guide/P07_4500

Task 3: The Small Business Administration (SBA)

Click on the following link [SBA Regional Offices](#)¹⁰ on the [SBA](#)¹¹ Web site to find your nearest regional office. Search through the site to find start-up information, specifically information about state and local regulations you must follow.

1. What is the URL of your local SBA office?
2. Fill in as much of the following information about your local SBA office:
Address:

Phone number:

Fax number:

Email:

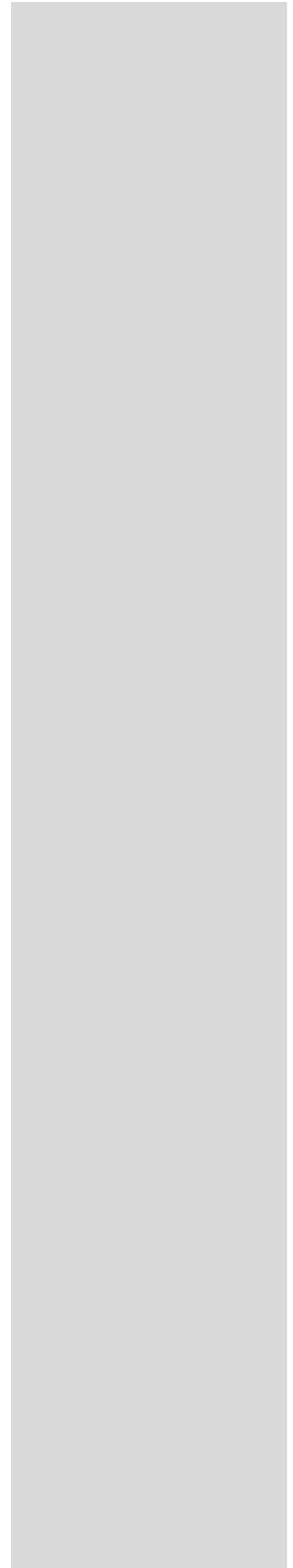
Contact Person:

3. What are the additional state and local regulations with which your new business must comply?

¹⁰ SBA Regional Offices: <http://www.sba.gov/localresources/index.html>

¹¹SBA: <http://www.sba.gov/localresources/index.html>

4. Describe your plan for addressing these regulations:



Task 4: Your Local Small Business Development Center (SBDC)

Click on the following link [SBDC Locator](#)¹². Once there, locate the state in which you will be doing business and fill in the information below.

1. How can the SBDC in your state help you?

2. Contact information:

Address:

Phone number:

Fax number:

Email:

Contact Person:

¹²SBDC Locator: http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC_LOCATOR.html

Task 5: Visiting Your Local SBDC

Get in touch with the contact person for your local SBDC and arrange to visit. Discuss your business plans with a counselor and find out how the SBDC can be of assistance to you. Record a summary of your visit below.

Notes: