Management

Ask SCORE

Laws & Regulations Affect Small Businesses

“I would like some help in finding out what permits I need for the new business I am planning to start” writes a recent SCORE business client. The answer to this question is the source of one of the biggest surprises for new business entrepreneurs. There is a vast amount of rules, regulations, permits, and laws that affect or impact a small business, the sources of which are local city, state, or federal. Not only does a business owner need to be aware of these but many of them will cost money and time to implement.

As a small business owner, you are subject to the same regulations as large corporations. Even if you’re starting out on a small level and planning to grow, you must comply with business laws and regulations from the day you open for business. So what is included in this pile of laws and regulations? The following is a quick summary.

Advertising Law: You’ve got a great product or service to sell, and you’re anxious to begin promoting it to potential customers. To make sure the claims you make about your offerings are truthful and to protect consumers, all businesses have to comply with advertising and marketing laws.

Employment & Labor Law: Bringing employees on board to work in your business is an exciting milestone. You’ll want to ensure that you are conducting employment processes in accordance to the laws.

Finance Law: Healthy markets—where businesses can thrive—depend upon fair and open competition. In order to protect the financial interests of small businesses and individual investors, antitrust, bankruptcy, and securities laws have been established.

Intellectual Property: If you’ve got a great idea, invention or trade secret, you need to protect it. The steps involved in filing for patents, trademarks or copyrights are covered in a workshop that SCORE provides.

Online Business Law: Doing business online can literally open your business to a world of potential customers. It can also expose your business to legal and financial liabilities, particularly in the areas of privacy, security, copyright and taxation. A lot of tax law reform discussions are dealing with this topic now, so be sure to keep current on this one.

Privacy Law: The promises you make to customers should include how you are going to protect their personal information and reduce the risk of identity theft. Carefully review your processes regarding your handling of your customers’ data.
Environmental Regulations: The U.S. Environmental Protection Agency (EPA) and state environmental agencies regulate the impact of businesses on the environment. EPA develops and enforces regulations that implement environmental laws enacted by Congress. Likewise, state agencies enforce regulations that implement laws enacted by the state legislature.

Uniform Commercial Code: If you are conducting business transactions outside of our state, such as borrowing money, leasing equipments, establishing contracts and selling goods, you need to comply with the Uniform Commercial Code (UCC).

Foreign Workers, Immigration, and Employee Eligibility: Recent practices here in Minnesota as well as other states have highlighted the importance of these laws. As you prepare to hire employees, be sure that you understand all laws and regulations surrounding employee eligibility. In particular, the Immigration and Nationality Act (INA) governs immigration and citizenship in the United States. The INA is especially relevant to small business owners since it includes provisions addressing employment eligibility, employment verification, and non-discrimination.

Workplace Safety & Health: As an employer, you are responsible for protecting the safety and health of your employees. Over the last several decades, laws have been passed to ensure workers are protected from hazards in the workplace.

To learn more about permits, laws, and regulations that may impact your business contact America’s free and confidential source of small business mentoring and coaching, SCORE, on our website: www.score-SEMinnesota.org.

Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
*Dean is a volunteer SCORE Counselor.