

Important Laws for Small Business

It's virtually impossible to give a complete account of all the laws and loopholes that could affect the formation and operation of an emerging company. There are a number of legal issues, though, of which you should be aware. The most common types of laws that may apply to your business fall into several categories.

- **Business Formation Laws.** A variety of state laws govern what steps you need to take to properly form and operate the business entity (partnership, corporation or limited liability company, etc.) you choose to form.
- **Consumer Protection Laws.** Many federal and state laws protect consumers from fraudulent business acts, misleading advertisements and defective products. These laws also mandate various credit rules and disclosures.
- **Contract Laws.** A number of laws may affect the contents of your contracts. But many will purely be the subject of negotiations, so make sure you know the key issues when negotiating and preparing contracts.
- **Hiring Laws.** A fair number of laws regulate hiring. Pay particular attention to laws forbidding discrimination based on sex, race, religion, age, etc.
- **Environmental Laws and Regulations.** Many federal and state laws regulate emissions, asbestos, hazardous wastes, discharge of waste water and other items that affect the environment.
- **Intellectual Property Laws.** Intellectual property laws generally apply to copyright, patents, trademarks and trade secrets. These laws protect your ideas and inventions, but they can also be used against you if you infringe on another company's rights.
- **License and Permit Laws.** Many professions, businesses and occupations require licenses or permits to operate properly.
- **Employment Laws.** A great number of laws deal with how you handle employees, workplace safety, and accommodations for the disabled. Many laws also limit when and how you can terminate employees.
- **Securities Laws.** A variety of federal and state securities laws govern offering or selling stock or other securities.
- **Tax Laws.** The myriad of federal, state and local tax laws applicable to small businesses may be the most complicated and vexing legal issues you face.
- **Zoning Laws.** Local zoning ordinances may limit the uses of property you lease or buy. Zoning laws may also regulate parking, waste disposal, signage and the type of business that you conduct on the premises.