

JOSH GREEN, M.D. GOVERNOR | KE KIA'ĂINA

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ÄINA

STATE OF HAWAII | KA MOKUʻĀINA 'O HAWAI'I OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KA 'OIHANA PILI KĀLEPA

XA 'OIHANA PILI KALEPA 335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: (808) 586-2850 Fax Number: (808) 586-2856 cca.hawaii.gov NADINE Y. ANDO DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the House Committee on Consumer Protection and Commerce Thursday, January 30, 2025 2:00 p.m.

On the following measure: H.B. 453, RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Chair Matayoshi and Members of the Committee:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department offers comments on this bill.

H.B. 453 seeks to amend section 26-9 of the Hawaii Revised Statutes (HRS) by requiring: (1) the Director of the Department to make all business registration applications available online, and (2) all applications to contain the name and contact information, including the phone number, electronic mail address, and mailing address, of the registering entity.

1. As an initial matter, HRS Chapter 26 sets forth the general organization of the State of Hawaii's executive and administrative departments, which include the Department. To this end, HRS section 26-9 describes generally the Department's purpose, structure, and organization, as well as the authority and duties of the Director and her appointees. Therefore, the bill's proposed amendments to HRS section 26-9, in specifically discussing the subject of business registration applications, and the information to include in applications, appear misplaced.

Testimony of DCCA H.B. 453 Page 2 of 3

2. The Department's Business Registration Division (BREG) currently provides a wide variety of forms to the public to register a business entity in the State's business registry. Nearly all of BREG's forms, including business registration forms, are on its website for the public to use and review, and thus are already available online.

3. Clarification is needed as to (a) what is meant by making "all business registration applications available online"; (b) whether this language applies to the blank forms that are already available online, and/or the completed forms that an entity files with BREG; (c) whether the actual filed document must be uploaded to BREG's website¹; and (d) whether providing the information required by this bill on BREG's website, in lieu of the actual filed document, is sufficient.

4. Given that the HRS does not require business entities to file business registration applications, clarification is also needed as to what is meant by the term "applications," and whether a business entity must provide the information required by this bill only in its filings with BREG, or in all its filings with any division within the Department as covered under HRS Chapter 26.

5. The Department also has the following concerns:

(a) The HRS sets forth the specific information required of each business entity that registers with BREG, and consequently, the various HRS chapters pertaining to each business entity must also be amended to allow for the collection of the additional information proposed by this bill;

(b) The Department may violate personal privacy interests by making "available online" certain contact information that otherwise would be protected from disclosure to the public, such as the personal information of certain public servants which are protected under Act 187 (2024 Legislature)²; and

(c) The Department cannot ensure that such contact information, once made "available online," will only be used in a manner that is consistent with

¹ BREG's website contains a portal known as "Hawaii Business Express," which provides online users with: (1) the ability to search for a business entity by name to determine whether the entity exists, and (2) basic information regarding that business entity.

² Act 187, entitled *Restrictions on Publication of Certain Public Servants' Personal Information*, became effective on October 1, 2024, and restricts publication of the protected personal information of a number of public servants, including members of the Legislature.

Testimony of DCCA H.B. 453 Page 3 of 3

> the conditions or reasonable expectations of use and disclosure under which the business entity provided such information to BREG. Thank you for the opportunity to testify on this bill.

<u>HB-453</u> Submitted on: 1/29/2025 12:43:23 PM Testimony for CPC on 1/30/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lila Mower	Individual	Support	Written Testimony Only

Comments:

support

TO: Members of the Committee on Consumer Protection & Commerce

FROM: Natalie Iwasa, CPA, CFE 808-395-3233

HEARING: 2 p.m. Thursday, January 30, 2025



SUBJECT: HB453, DCCA and Business Registrations Online – AMENDMENT REQUESTED

Aloha Chair Matayoshi and Committee Members,

Thank you for allowing the opportunity to provide testimony on HB453, which would require the director of the Department of Commerce and Consumer Affairs (DCCA) to post all business registration applications online. Applications would be required to contain email and physical addresses of the registering entity, as well as certain other information.

Many small businesses are registered by the owner who uses a personal home address. While it is relatively easy to find a person's home address these days, it should not be provided as public information by the DCCA.

In addition, email addresses that are posted online are much more susceptible to spam email. With respect to this DCCA requirement, there would also likely be more unsolicited emails.

Email and mailing addresses should therefore be removed from the list of required contact information if this bill moves forward. If you decide to move this bill forward, please amend it first.