

SB 1276



SMALL BUSINESS REGULATORY REVIEW BOARD

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David S. De Luz, Jr.
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To: Chair Kim, Vice Chair Tsutsui and Members of the Committee on Ways and Means – Conference Room 211

Re: SB 1276, SD1 – “Relating to Small Business”

Date: March 3, 2009 at 9:30 a.m.

Aloha:

As the Chairperson of and on behalf of the Small Business Regulatory Review Board (Review Board), I offer testimony in **strong support** of SB 1276, SD1 “Relating to Small Business.”

This bill addresses the 2008 legislature’s requirement that the Review Board convene a working group to study and make recommendations of the process and procedures related to rulemaking, as established under Chapter 201, HRS. The working group found that the current statutes are not adequate to meet the concerns of small business, that Hawaii small businesses are still not fully aware of the Review Board’s purview and its processes, and that the Review Board is limited in its authority as it lacks the capacity to enforce recommendations. Further, the working group found that government agencies have expressed the need for flexibility and explicit guidance as to the information the Review Board requests from them.

For these reasons, the proposed revisions to 201M, HRS, which include a new section that codifies the Small Business Bill of Rights, are expected to improve communication and flexibility of the Statute’s processes and procedures.

Note: The Review Board respectfully requests the following change to Right No. 9 of the Bill of Rights; the change was approved by the Review Board’s working group but inadvertently omitted when the bill was introduced.

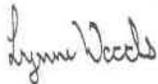
“The right to privacy regarding confidential and proprietary business information

when competing for state procurement contracts. Subject to Chapter 92F, HRS, No
state agency shall mandate the disclosure of confidential or proprietary business
information as a condition of obtaining any contract or payment under any contract when
a contract is to be awarded on a firm fixed price or cost plus fixed price basis;"

The Review Board is most appreciative of the change of attitude towards business
shown over the past few years. The support the Review Board is receiving from current
department directors and from many elected officials is gratifying. We urge the passing
of this proposed bill in order to ensure that future administrations and those holding
public office will continue the work on behalf of the small businesses of Hawaii.

On behalf of the members of the Small Business Regulatory Review Board, I thank
you for the opportunity to present this testimony on SB 1276 SD1, and for your attention
to the issues of Hawaii's business community.

Yours truly,



Lynne Woods, Chairperson
Small Business Regulatory Review Board



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON
WAYS AND MEANS**
Tuesday, March 03, 2009
9:30 a.m.
State Capitol, Conference Room 211

in consideration of
SB 1276 SD1
RELATING TO SMALL BUSINESS.

Chair Kim, Vice Chair Tsutsui, and Members of the Committee on Ways and Means:

The Department of Business, Economic Development & Tourism (DBEDT) strongly supports Senate Bill 1276 SD1, "Relating to Small Business." The bill provides both administrative and technical amendments to the Small Business Regulatory Flexibility Act (RFA). Specifically, the bill requires the Small Business Regulatory Review Board (Review Board) to determine business impact, adds two new and amends two existing definitions, increases the number of board members from eleven to thirteen, removes the provision that the chairperson will serve a term of not more than one year, codifies the Small Business Bill of Rights, and other non-substantive changes.

Modifying the definitions of "affected small business" and "agency," and adding "county" and "state," will clarify the identities of the rule-making entities required to adhere to the statute. Including the Review Board in the preliminary rule-review process

will allow the members to provide input to the drafting agencies in a more efficient and timely manner as it is recognized that rule-making agencies require technical comments as soon as practicable. Increasing the number of board members from eleven to thirteen will assist the Review Board in meeting its added responsibilities and help to alleviate quorum concerns. Removing the provision that the chairperson will serve a term of one year is expected to improve upon the Review Board's continuity and goals.

In addition, codifying the Small Business Bill of Rights will assist in educating small businesses about their important basic rights already dealt with in existing laws. The Bill of Rights is the result of an initial effort that began in the 2003 legislative session, which led to the adoption of SCR 76, asking the small business regulatory review board to provide such a "Bill of Rights" for consideration in the 2004 legislative session. This is a far-reaching and important measure that affects nearly all state and county agencies, many boards and commissions and Hawaii's small businesses.

Overall, DBEDT appreciates any proposal that affords small business equal and fair treatment, and reduces roadblocks to business success. Amending the RFA by adding the Small Business Bill of Rights, clarifying the functions of the Review Board and streamlining its processes will help to solidify the Board's role as the primary agent for small businesses that are burdened by broad administrative rules and will serve as a positive impact on all rule-making agencies within the administrative rule-making process.

Thank you for the opportunity to provide this testimony.

**Testimony to the Senate Committee on Ways and Means
Tuesday, March 3, 2009
9:30 a.m.
Conference Room 211**

RE: SENATE BILL NO. 1276, SD1 RELATING TO SMALL BUSINESS

Chair Mercado Kim, Vice Chair Tsutsui, and members of the committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's support to Senate Bill No. 1276 SD1, relating to Small Business.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

SB 1276 SD1 makes various administrative and technical amendments to the Small Business Regulatory Flexibility Act. The measure also codifies the small business bill of rights.

In Hawaii, small businesses are the engine for Hawaii's economy through the creation of jobs which provide innovative products and services, and the generation of economic activity. They reflect all industries and a wide range of employment.

The Chamber believes that this bill is an important step in obtaining transparency in the agency's review of rules and a mechanism for small businesses to be represented in the process.

Thus, The Chamber respectfully requests SB 1276 SD1 be passed.

Thank you for the opportunity to testify.