



**DEPARTMENT OF BUSINESS,
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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEES ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY
AND
COMMERCE AND CONSUMER PROTECTION**

Monday, February 16, 2009
1:15 p.m.
State Capitol, Conference Room 016

in consideration of
SB 1276
RELATING TO SMALL BUSINESS.

Chairs Fukunaga, Baker, Vice Chairs Baker, Ige and Members of the Committees:

The Department of Business, Economic Development & Tourism (DBEDT) strongly supports Senate Bill 1276, "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.

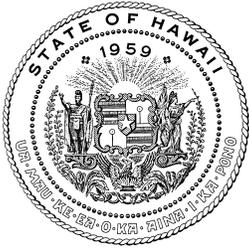
Modifying the definitions of "affected small business" and "agency," and adding "county" and "state," will clarify the identities of the rule-making entities required to adhere to the statute. Including the Review Board in the preliminary rule-review process

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.



SMALL BUSINESS REGULATORY REVIEW BOARD

Department of Business, Economic Development & Tourism
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Charles Au
Oahu

Donald Dymond
Oahu

Richard Schnitzler
Hawaii

David S. De Luz, Jr.
Hawaii

To: Chair Fukunaga and Vice Chair Baker and Members of the Committee on Economic Development and Technology, and Chair Baker and Vice Chair Ige of the Committee on Commerce and Consumer Protection

Re: SB 1276 – "Relating to Small Business"

Date: February 16, 2009 at 1:15 p.m. in Conference Room 016

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, "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.

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

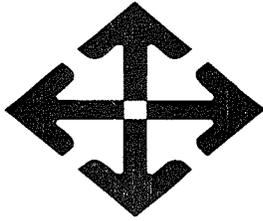
public office will continue the work on behalf of the small businesses of Hawaii.

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 and for your attention to the issues of Hawaii's business community.

Yours truly,

A handwritten signature in cursive script that reads "Lynne Woods".

Lynne Woods, Chairperson
Small Business Regulatory Review Board



The Hawaii Business League

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February 16, 2009

Testimony To: Senate Committee on Economic Development and Technology
Senator Carol Fukunaga, Chair

Senate Committee on Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair

Presented By: Tim Lyons
President

Subject: S.B. 1276 – RELATING TO SMALL BUSINESS

Chair Fukunaga, Chair Baker and Members of the Joint Committee:

I am Tim Lyons, President of the Hawaii Business League, a small business service organization.

We are in support of this bill.

Small Business Regulatory Flexibility Act was "hallmark" legislation achieved by the small business community with the express cooperation of this Legislature. We established the framework to help review and assure that excessive regulations are not placed upon the small business community which of course is the "economic driver" of our community.

Since the time that this legislation was created, the Small Business Regulatory Review Board has moved forward with a variety of projects and challenges, many of which have benefited the small business community. As late as last year, the Small Business Bill of Rights was enacted with Act 230-2008. This bill now requests the codification of those bill of rights and we wholeheartedly agree with that important step.

Based on the above, we can highly recommend the passage of this legislation and we request your favorable support.

Thank you.