



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

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Statement of  
RICHARD C. LIM  
**Interim Director**  
Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS**

Thursday, February 10, 2011  
8:00 AM  
State Capitol, Conference Room 312

in consideration of  
**HB 702**  
**RELATING TO BUSINESS.**

Chair McKelvey, Vice Chair Choy and Members of the House Committee on Economic Revitalization & Business.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 702, which establishes a small business hardship loan program in DBEDT to make direct one-time loans to small businesses that are experiencing economic hardship.

However, while the bill appropriates an indeterminate amount out of general revenues of the State of Hawaii to fund the small business hardship loan program, it does not authorize the creation of a loan officer position, who would administer the loan program. As a result, DBEDT does not have the necessary resources or competency to undertake this program.

Thank you for the opportunity to offer these comments.

**Testimony to the House Committee on Economic Revitalization & Business  
Thursday, February 10, 2011 at 8:00 a.m.  
Conference Room 312, State Capitol**

**RE: HOUSE BILL NO. 702 RELATING TO SMALL BUSINESS**

Chair McKelvey, Vice Chair Choy, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") is in general **support** of HB 702.

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.

This establishes a small business hardship loan program to direct one-time loans to small businesses that are experiencing economic hardship. The measure also establishes the small business hardship loan revolving fund.

In Hawaii, small businesses are the engine for Hawaii's economy. They account for a majority of all new jobs and embody the spirit of innovation, entrepreneurship and individual initiative. They reflect all industries and a wide range of employment. Because of the significant role they play in Hawaii's economy, the challenges faced by this segment cannot be overlooked.

In the past couple of years, as a result of the downturn in the economy, small businesses have faced difficulty in obtaining financing and the necessary working capital to maintain or expand their business. HB 702 is an attempt to address this obstacle and provide another option for businesses to attain financial assistance.

The Chamber asks that the committee pass the measure for further discussion. Thank you for the opportunity to provide testimony.