

# **HB 980, HD1 Testimony**



NEIL ABERCROMBIE  
GOVERNOR

RICHARD C. LIM  
INTERIM DIRECTOR

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**RICHARD C. LIM**  
Interim Director

Department of Business, Economic Development, and Tourism  
before the

### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY AND SENATE COMMITTEE COMMERCE AND CONSUMER PROTECTION

Wednesday, March 16, 2011  
9:00 AM  
State Capitol, Conference Room 229

in consideration of  
**HB 980, HD1**  
**RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD.**

Chairs Fukunaga and Baker, Vice Chairs Wakai and Taniguchi and Members of the Senate Committees on Economic Development and Technology and Commerce and Consumer Protection.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 980, HD1, which requires each state agency having rules that affect small business to report to the Small Business Regulatory Review Board (SBRRB) on the impact of statutory changes to those rules. DBEDT also supports the idea of having state agencies work with the SBRRB to develop internal procedures to expedite rulemaking actions that affect small businesses and require amendment to, adoption of, or repeal of rules to conform to current statutes.

HB 980, HD1, would make state agencies more accountable by having them identify rules that impact small business and ensure that the agencies conform to the current statutes implemented by those rules on an annual basis.

Thank you for the opportunity to offer these comments.

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE  
COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY  
AND  
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
ON  
HOUSE BILL NO. 980, H.D. 1

March 16, 2011

**Relating to the Small Business Regulatory Review Board**

House Bill No. 980, H.D. 1, requires each state agency having rules that affect small businesses to report to the Small Business Regulatory Review Board (SBRRB) the impact of statutory changes on those rules and requires the Governor to direct each state agency to work with the SBRRB to develop internal processes to expedite rulemaking actions for rules that affect small businesses.

The Department of Budget and Finance supports the intent of this bill but offers the following comments:

First, agencies may not have the resources at the current time to implement the additional procedures required in this bill.

Second, The SBRRB is a voluntary board that meets once a month. The board may not have the time or the resources to take on additional responsibilities.

Lastly, adding additional layers to the rulemaking process may delay an already long process of implementing needed administrative rules.



**Before the Senate Committee on Economic Development and Technology  
and  
Senate Committee on Commerce and Consumer Protection**

DATE: Wednesday, March 16, 2011

TIME: 9:00 a.m.

PLACE: Conference Room 229

**HB 980 HD1: Relating to the Small Business Regulatory Review Board**

**Testimony of Melissa Pavlicek for NFIB Hawaii**

Thank you for the opportunity to testify in support of HB 980 HD 1: Relating to the Small Business Regulatory Review Board. NFIB strongly supports this measure. This bill would ensure that state agencies are consistently reviewing and updating their administrative rules. This measure will increase efficiency and greatly benefit Hawaii's small businesses. We recognize and appreciate the efforts of legislators to address small business concerns.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

Thank you for the opportunity to submit this testimony.



2343 Rose Street, Honolulu, HI 96819  
PH: (808)848-2074; Fax: (808) 848-1921

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**

**AND**

**COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

Wednesday, March 16, 2011

9 am

Room 229

**RELATING TO RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD  
HB 980 HD1**

Aloha Chairs Fukunaga and Baker, Vice Chairs Wakai and Taniguchi, and Members of the Committees,

The Hawaii Farm Bureau Federation, as the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide, **strongly supports** the intent of this bill which would make state agencies responsible for identifying rules that impact small business and ensure that the agencies work with the Board to develop internal processes to assist the Board in its tasks.

**The Farm Bureau strongly supports the mission and work of the SBRRB.** Our farmer and rancher members have benefited from the Board's conscientious review of rules, some of which would have negatively impacted food production in this state.

We are concerned that because of limited resources and minimal agency staff support, the Board, which consists of volunteer members, may be unable to continue to fulfill its mission. This legislation and any other legislative measures that would assist the Board, are supported by the Hawaii Farm Bureau.

Thank you for the opportunity to offer our comments and for your support of agriculture in Hawaii.

**Testimony of Thomas J. Smyth, CEcD**

**Before the  
Committee on Economic Development and Technology  
Committee on Commerce and Consumer Protection**

**Wednesday, March 16, 2011, 9:00 a.m. Conference Room 229**

**On**

**HB 980 HD1 Relating to the Small Business Regulatory Review Board**

Chairs Fukunaga and Baker, Vice Chairs Wakai and Taniguchi and Committee Members:

Having worked with the original Small Business Regulatory Review Board (SBRRB) from its inception, I believe that HB 980, as amended in HD1, is an appropriate role for the SBRRB, as compared to the bill as introduced.

When a law sunsets or is otherwise terminated, including by judicial action, the related rule remains in effect until the agency goes through its individual repeal. It is important that the rule not automatically terminate when the law does because that could seriously impact those affected by the rules, such as beneficiaries of health or human services.

While it is useful for the SBRRB to consider the status of the underlying law, they don't have the legal expertise to make this judgment themselves for the very wide range of rules they review. I believe that if the rule-making agency does the review on an annual basis and then lets the board know the status; that will suffice. The SBRRB and its staff will have an added responsibility reporting these rules on an annual basis instead of the current two- year report, but I believe with adequate staffing the reports can be compiled and submitted as required here.

**It should be noted that many rules do not affect small business or only affect large businesses with more than 100 employees. Those rules are not seen by the SBRRB, so their review must be done by the rule-making agency and reported directly by each agency.**

**The added workload could be handled if the SBRRB was adequately funded as would be the case if it is transferred to DCCA as provided in SB 1498 SD 2.**

Thank you for the opportunity to testify.