



**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 FINANCE**

Tuesday, March 1, 2011  
11:00 AM  
State Capitol, Conference Room 308

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

Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance.

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.



Ocean Tourism Coalition

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Testimony to the House Committee on Finance  
Tuesday, March 1, 2011 11:00 AM  
Conference Room 308

### Speaking in Strong Support of HB 980

RE: HOUSE BILL 980: Small Business Regulatory Review Board

Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is James E. Coon, President of the Ocean Tourism Coalition. The OTC represents over 300 small ocean tourism businesses state wide. We appreciate these efforts being made by the Legislature in addressing the needs of small business. We support HB 980.

I was a charter member of the Small Business Regulatory Review Board and served one term. I know how important the SBRRB is to small business. This bill addresses some of the key impediments that stand in the way of real economic progress in our State.

We humbly ask you to please pass HB 980. It will make a very positive difference.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at 808-870-9115.

Sincerely,

James E. Coon, President, OTC  
captcoon@gmail.com

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

**Before the  
Committee on Economic Revitalization & Business**

**Tuesday, March 1, 2011, 11:00 a.m. Conference Room 308**

**On**

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

Chair Oshiro, Vice Chair Lee 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.

Administrative rules are normally drafted by the agency responsible for implementing the underlying law. Often their Deputy Attorney General has a major role in drafting the rules, and at least thoroughly reviews the draft rule to ensure conformance. If the draft rule affects businesses of 100 employees or fewer, it is sent to the SBRRB for review. The SBRRB is primarily concerned with the economic and administrative impact of the proposed rule and often meets with the drafting agency to ensure they understands the purpose and intent of the rule and to ensure that it has the least possible impact consistent with the underlying law. Finally, the governor approves the draft rule for public hearing and then the Attorney General reviews the final rule to ensure conformity.

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 do not 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.

**It should be noted that many rules do not affect small business and are not seen by the SBRRB, so review of those rules must be done by the rule-making agency.**

Thank you for the opportunity to testify.