



NEIL ABERCROMBIE  
GOVERNOR

SHAN S. TSUTSUI  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
[www.hawaii.gov/dcca](http://www.hawaii.gov/dcca)

KEALI'I S. LOPEZ  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2014

Date: Wednesday, January 29, 2014  
Time: 2:10 p.m.  
Conference Room: 325

PRESENTATION OF  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
BUSINESS REGISTRATION DIVISION

**TESTIMONY ON HOUSE BILL NO. 1876  
RELATING TO BUSINESS FEES**

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR, AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to testify. My name is Tung Chan, Commissioner of Securities and head of the Business Registration Division ("Division") of the Department of Commerce and Consumer Affairs, and I am offering comments expressing concerns about the necessity of this bill.

House Bill No. 1876 reduces certain filing, service, copying and other fees that are charged by the Division.

The Division, like most of DCCA, operates on a self-sufficiency funding model, which means that the Division receives business registration revenue in the form of fees and uses the revenue to pay its business registration expenses. The Division continually works to make sure that the fees are adjusted so that the Division has

sufficient revenue to cover expenses and maintains sufficient reserves to address unexpected contingencies. When the Division determines that the business registration fees would generate too much revenue, it seeks authorization from the Governor to reduce fees, as provided for under state law. This current method of “right sizing” fees has provided the Division with the discretion necessary to increase or decrease fees to adjust to fluctuations in the economy and to appropriately provide for the needs of the Division. As such, the Division does not believe that this bill is necessary.

Thank you for the opportunity to testify. I would be happy to answer any questions the Committee may have.