



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Tuesday, February 3, 2015
9:00 AM
State Capitol, Conference Room 312

In consideration of
HB266
RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

Chair Kawakami, Vice Chair Kong and members of the House Committee on Economic Development & Business.

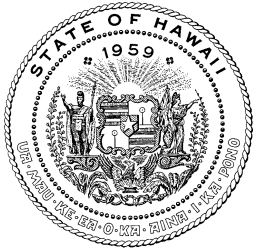
The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of HB266 provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget.

This bill would entitle the Small Business Regulatory Review Board (SBRRB) to a separate line item within DBEDT's budget.

DBEDT supports the work of the SBRRB and agrees that a budget line item for operational expenses would give board members the opportunity to plan their activities.

Should the Legislature decide to appropriate funds to support the operations of the board in the state budget, this bill would not be needed. DBEDT is available to work with your Committee staff to provide any information requested by the Committee.

Thank you for the opportunity to offer these comments.



SMALL BUSINESS REGULATORY REVIEW BOARD

Department of Business, Economic Development & Tourism
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2nd Vice Chair
Kauai

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Maui

Harris Nakamoto
Oahu

Ashley Leahey
Maui

Director, DBEDT
Voting Ex Officio

MEMORANDUM

TO: Chair Kawakami, Vice Chair Kong, and Members of the
Committee on Economic Development & Business

FROM: Anthony Borge, Chair
Small Business Regulatory Review Board

DATE: February 3, 2015 – Room 312 at 9:00 a.m.

SUBJECT: **HB 266 – Relating to the Small Business Regulatory Flexibility Act**

On behalf of the Small Business Regulatory Review Board (SBRRB), I am providing testimony in **strong support** of House Bill 266, Relating to the Small Business Regulatory Flexibility Act. This measure would provide for a separate line item for the SBRRB within the budget of the Department of Business, Economic Development and Tourism.

The SBRRB members are comprised from small businesses throughout the State that volunteer their time and meet monthly, spending countless hours reviewing existing, new, and modified administrative rules that impact small business. They analyze hundreds of pages of proposed rules to determine if there are better ways to make them less complex and costly for small firms.

There is presently no budget reserved for the SBRRB's operations. However, statutorily, the board is required to have "at least one representative from each county." (Currently, there is one member from Kauai, two from Maui, and one vacancy from the Big island.) Annual expenses for travel alone approximate \$15,000, plus postage and mailing of agenda packets total \$1,000; these figures represent the bare minimum required to sustain the SBRRB's operations.

The SBRRB is also required to review requests from small business owners for review of any rule adopted by a state agency, and organize and hold conferences on problems affecting small business. Without a budget, the SBRRB volunteers have been unable to provide outreach to the small business community to provide a valuable, needed service to enhance, promote and defend the continued growth of small businesses in Hawaii.

Thank you for allowing the SBRRB to testify in strong support of House Bill 266.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
ON
HOUSE BILL NO. 266

February 3, 2015

RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT

House Bill No. 266 requires the Small Business Regulatory Review Board to have a separate line item within the budget of the Department of Business, Economic Development and Tourism.

The Department of Budget and Finance points out that the bill is unclear because the State does not budget on a line item basis but rather on a program ID basis. If the intent of this bill is to create a separate program ID within the statewide program structure for the Small Regulatory Review Board, then this would set a precedent because it is generally the responsibility of the Executive Branch to create a program ID. Further, every biennium, we have a process where departments can propose changes to the program structure.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Tuesday, February 3, 2015 at 9:00 A.M.
Conference Room 312, State Capitol**

**RE: HOUSE BILL 266 RELATING TO THE SMALL BUSINESS REGULATORY
FLEXIBILITY ACT**

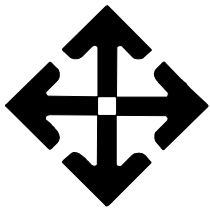
Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HB 266, which entitles the small business regulatory review board to a separate line item within the budget of the department of business, economic development, and tourism.

The Chamber is the largest business organization in Hawaii, representing over 1,000 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 members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Small Business Regulatory Review Board is an integral part in getting input from the small business community on rules and regulations that may affect them. As you know, many small business owners do not have the time to track all the rules, which is where laws are put to force in detail. The board has been understaffed for many years. We believe that a line item may help the board obtain regular funding.

Thank you for the opportunity to testify.



The Hawaii Business League

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February 4, 2015

Testimony To: House Committee on Economic Development & Business
Representative Derek S.K. Kawakami, Chair

Presented By: Tim Lyons
President

Subject: H.B. 266 - RLEAING TO THE SMALL BUSINESS REGULATORY
FLEXIBILITY ACT.

Chair Kawakami and Members of the Committee:

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

When the Small Business Regulatory Flexibility Act was passed it was hailed as "hallmark legislation" throughout the small business community in the United States of America and at one point it reached its "hayday" however, since that time it has been neglected, abused, and thrown in the back seat where it has not been able to accomplish its intended purposes.

Much of that is due to the lack of resources within the department and we believe that this bill will at least provide for a policy that the Small Business Regulatory Review Board should get some kind of funding.

Based on that and with the hopes that this Board can rejuvenate itself, we very much support this bill.

Thank you.



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February 3, 2015

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON HB 266
RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT
Room 312
9:00 AM

Aloha Chair Kawakami, Vice Chair Kong, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB strongly supports HB 266 to fund the mission and work of the SBRRB. Over the years, our farmer and rancher members have benefited from the Board's conscientious review of rules and its work to ensure that any proposed rules are necessary and appropriate.

Small businesses, such as the farms and ranches that produce food for Hawaii, are an important driving force for Hawaii's economy. Unfortunately, one of the many obstacles hindering the growth and success of small businesses in Hawaii is the burdensome, duplicative, costly, and often unnecessary administrative rules that disproportionately impact small businesses. The SBRRB members protect and foster the viability of small business by providing input and recommendations to agencies on rules that may otherwise have a detrimental impact on these businesses. These volunteer members provide an invaluable service to our State economy and productivity, but in order to function properly, the Board must be adequately funded.

Thank you for the opportunity to support this measure.

BIA-HAWAII

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Testimony to the House Committee on Economic & Business

Tuesday, February 3, 2015
9:00 a.m.

Hawaii State Capitol - Conference Room 512

LATE

SUBJECT: H.B. 266 RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT & H.B. 774 RELATING TO SMALL BUSINESS

Chair Kawakami and Vice-Chair Kong, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** H.B. 266 and H.B. 774, which propose to entitle the Small Business Regulatory Review Board (SBRRB) to a separate line item in the budget of the department of business, economic development, and tourism, and appropriate a sum of \$50,000 for the SBRRB to acquire additional staff, respectively.

The SBRRB is essential to a healthy and nurturing environment for Hawaii's small businesses as it is the one check the public has on the administrative rule process by providing real-life feedback on the impact rules may have on small businesses, their employees, and their family members. Prior to each of their monthly meetings, this volunteer board spends countless hours reviewing rules and regulations to assess the impact they could have on small businesses in Hawaii. Hawaii's small businesses account for 96% of all employers in the state and employ over half of the state's private workforce. To date, the SBRRB has reviewed over 630 rules/regulations since its 1998 inception.

The aforementioned line item and appropriation would provide this important board with a budget for staff support and travel expenses for their appointees from across the State, helping to increase their efficiency and allowing them to focus their attention on safeguarding small businesses throughout the State.

We appreciate the opportunity to share with you our views.