



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development and Tourism  
before the  
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND  
TECHNOLOGY**

Monday, February 13, 2017  
1:15 PM  
State Capitol, Conference Room 414

in consideration of  
**SB908**  
**RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT.**

Chair Wakai, Vice Chair Taniguchi and Members of the Senate Committee on Economic Development, Tourism, and Technology. The Department of Business, Economic Development and Tourism (DBEDT) supports SB908, Relating to the Small Business Regulatory Flexibility Act.

This measure adopts a more explicit definition of “small business,” clarifies the powers of the Small Business Regulatory Review Board (SBRRB), increases the number of board members from nine to eleven, and clarifies when reporting by the agencies is required for submission to the board and for submission by the board to the Legislature.

The Legislature established the SBRRB in 1998 and reaffirmed its belief in its importance by making it a permanent body in 2001. Since its inception, the SBRRB has enjoyed many successes and is perhaps the single most important voice on regulations within government for the 96% of the State’s employers with fewer than 100 employers.

Overall, the proposed changes will add clarity and effect to the SBRRB’s powers, increase the number of board members to help with meeting and voting quorum, and ensure the stability of the SBRRB by clarifying the Regulatory Flexibility Act.

Thank you for the opportunity to offer testimony in support of SB908.



**Testimony to the Senate Committee on Economic Development, Tourism  
and Technology  
Monday, February 13, 2017 at 1:15 P.M.  
Conference Room 414, State Capitol**

**RE: SENATE BILL 908 RELATING TO THE SMALL BUSINESS  
REGULATORY FLEXIBILITY ACT**

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee:

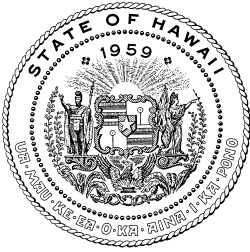
The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 908, which proposes to adopt a more explicit definition of "small business," clarify the powers of the Small Business Regulatory Review Board (SBRRB), increase the number of board members from nine to eleven, and clarify when reporting by the agencies is required for submission to the board and for submission by the board to the Legislature.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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.

We support increasing the number of board members from nine to eleven, the purpose of which is to help alleviate both meeting and voting quorum issues. Currently, meeting and voting quorum is five, but when five members attend the meeting and one member must recuse himself or herself, it leaves only four members, resulting in an inability to take any action. If two additional members exist and attend the meeting, we believe the SBRRB would have a better chance at maintaining a voting quorum when a member may need to recuse themselves.

In terms of the addition of the new board members, we suggest that they are nominated by the Governor in consultation with the SBRRB and small business organizations. This is similar to the original law.

Thank you for the opportunity to testify.



## SMALL BUSINESS REGULATORY REVIEW BOARD

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### **MEMORANDUM**

**David Y. Ige**  
*Governor*

**Luis P. Salaveria**  
*Director, DBEDT*

#### **Members**

Anthony Borge  
*Chair*  
*Oahu*

Harris Nakamoto  
*Vice Chair*  
*Oahu*

Kyoko Kimura  
*2<sup>nd</sup> Vice Chair*  
*Maui*

Robert Cundiff  
*Oahu*

Nancy Atmospera-Walch  
*Oahu*

Garth Yamanaka  
*Hawaii*

Director, DBEDT  
*Voting Ex Officio*

TO: Chair Wakai, Vice Chair Taniguchi, and Members of the  
Committee on Economic Development, Tourism, and Technology

FROM: Anthony Borge, Chairperson  
Small Business Regulatory Review Board

DATE: February 13, 2017 – Room 414

SUBJECT: SB908 – Relating to the Small Business Regulatory Flexibility Act  
Support with Comments

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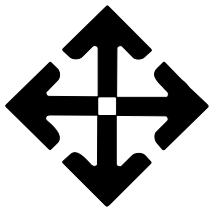
On behalf of the Small Business Regulatory Review Board (SBRRB), I am providing testimony mostly in support of SB908, Relating to the Small Business Regulatory Flexibility Act.

The bill adopts a more explicit definition of “small business,” which is taken from Title 15, Chapter 3, Capital Access Program, HRS, and increases the number of board members. The bill also clarifies when reporting by the agencies is required for submission to the board and for submission by the board to the Legislature.

The purpose of increasing the number of board members from nine to eleven is to help alleviate both meeting and voting quorum. For example, currently meeting and voting quorum is five, but when five members attend the meeting and one member must recuse himself or herself, it leaves only four members, resulting in an inability to take any action. If two additional members exist and attend the meeting, we believe the SBRRB would have a better chance at maintaining a voting quorum when a member may need to recuse themselves.

In addition, the members voted on and prefer that the addition of the two new board members are “nominated” by the “SBRRB” rather than the Governor. This falls within sec. 26-34(a), HRS, and was in Chapter 201M, HRS the first fourteen years of the board’s existence. While the SBRRB recognizes that final appointments are within the Governor’s power, we believe this will help to reduce political appointments, expedite the process, and give members the opportunity to appropriately screen and bring in known, qualified small business owners. Also, the SBRRB is already currently doing the necessary “leg work” in the solicitation of prospective new members.

Thank you for allowing the SBRRB to provide comments and testimony in support of SB908.



# The Hawaii Business League

1188 Bishop St., Ste. 1003, Honolulu, Hawaii 96813

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February 13, 2017

Testimony To: Senate Committee on Economic Development, Tourism, and Technology  
Senator Glenn, Wakai, Chair

Presented By: Tim Lyons, President

Subject: S.B. 908 - RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

Chair Wakai and Members of the Committee:

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

While this bill increases the number of Board members from nine (9) to eleven (11), it also establishes that four (4) members instead of two (2) will be appointed by the Governor. While we concur that there can be an increase in that designation, we would prefer to see that the individuals are nominated by the Board and then appointed by the Governor. The Board will have first-hand knowledge of members of the small business community that have expressed an interest and are willing to dedicate the time and the resources towards small business issues. This of course is a volunteer Board and not everyone is interested in the plight of small business, let alone the diverse subject matter that this Board takes up. Therefore we feel that it is important that we give the

Governor the last say so on who goes onto the Board however it could be helpful to the Governor to have some indication from Board members as to possible nominees.

This bill also clarifies the definition of small business and we have no problem with the definition that is offered.

Based the above, we support this bill and respectfully request your favorable consideration.

Thank you.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, February 11, 2017 1:41 PM  
**To:** ETT Testimony  
**Cc:** Captcoon@gmail.com  
**Subject:** Submitted testimony for SB908 on Feb 13, 2017 13:15PM

**SB908**

Submitted on: 2/11/2017

Testimony for ETT on Feb 13, 2017 13:15PM in Conference Room 414

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James E. Coon	Ocean Tourism Coalition	Support	No

Comments: It is very important to the small business community to have a review board such as the Small Business Regulatory Review Board that functions as a potential buffer to vet out unreasonable new regulations that may be promulgated. Please pass SB 908 so that this valuable board may continue to operate more effectively.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 7, 2017 3:12 PM  
**To:** ETT Testimony  
**Cc:** mendezj@hawaii.edu  
**Subject:** \*Submitted testimony for SB908 on Feb 13, 2017 13:15PM\*

**SB908**

Submitted on: 2/7/2017

Testimony for ETT on Feb 13, 2017 13:15PM in Conference Room 414

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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