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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Economic Development
Wednesday, March 15, 2023
10:00 a.m.
Room 423 and Videoconference

On the following measure:
S.B. 1577 S.D. 1, RELATING TO THE DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS

Chair Holt and Members of the Committee:

My name is Nadine Ando, and I am the Director for the Department of Commerce and Consumer Affairs (Department). The Department opposes this bill.

S.B. 1577 S.D. 1, with no stated purpose, seeks to amend section 26-9 of the Hawaii Revised Statutes (HRS) by requiring: (1) the Director of the Department to make all business registration applications available online, and (2) all applications to contain the name and contact information, including the phone number, email address, and mailing address, of the registering entity.

Hawaii Revised Statutes (HRS) Chapter 26 sets forth the general organization of the State of Hawaii's executive and administrative departments, which include the Department. To this end, HRS section 26-9 describes generally the Department's purpose, structure, and organization, as well as the authority and duties of the Director and the Director's appointees. Therefore, the bill's proposed amendments to HRS

section 26-9, which specifically discuss the subject of business registration applications and the information to include in applications, are misplaced.

The Department finds the first requirement unnecessary because the Department's Business Registration Division (BREG) neither requires nor provides business registration applications to register a business entity in the State. BREG already provides a wide variety of forms (official and unofficial) to the public to register a business entity in the State's business registry, and a majority of BREG's forms (blank and completed) are on its website for the public to use and review, and thus, are available online. In addition, BREG is currently in the process of making all its forms (official and unofficial) available online and anticipates that all forms (blank and completed) will be available online via its website by January 2024. In fact, nearly 90% of all filings with BREG are already submitted online.

The Department finds the second requirement vague because it is unclear as to whether it applies to all applications submitted to any division within the Department by a registering entity. In addition, there may be potential violations of personal privacy interests by making available online certain contact information that otherwise would be protected from disclosure to the public, particularly where it is unknown whether such contact information will be used in a manner that is consistent with the conditions or reasonable expectations of use and disclosure under which the registering entity provided its information to the Department.

Thank you for the opportunity to testify on this bill.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
Wednesday, March 15, 2023
10:00 AM
State Capitol, Conference Room 423

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In consideration of
SB1577, SD1
RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS.

Chair Holt, Vice Chair Lamosao and members of the Committee. The Department of Business, Economic Development & Tourism offers the following comments to SB1577,SD1 that makes business registration applications online with certain contact information.

DBEDT divisions and agencies regularly correspond with businesses on various programs, projects, events and activities. These include general business assistance programs; business incentives offered by the State; and recruitment for conferences, tradeshows, missions and strategic events. Contact information on business registration will help DBEDT to expand its outreach to these stakeholders, beneficiaries and constituents. Contact information will greatly help build a database in order for DBEDT to better serve the business community to take advantage of the services that the state has to offer.

Thank you for the opportunity to testify.

SB-1577-SD-1

Submitted on: 3/13/2023 7:25:20 PM

Testimony for ECD on 3/15/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

SB-1577-SD-1

Submitted on: 3/14/2023 5:52:22 AM

Testimony for ECD on 3/15/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of SD1. Thank you.