

## SMALL BUSINESS REGULATORY REVIEW BOARD

Department of Business, Economic Development & Tourism  
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### MEMORANDUM

**Neil Abercrombie**  
*Governor*

TO: Chair Tsuji, Vice Chair Ward, and Members of the  
House Committee on Economic Development & Business

**Richard C. Lim**  
*Director, DBEDT*

FROM: Chu Lan Shubert-Kwock, Chair  
Small Business Regulatory Review Board (SBRRB)

**Mary Alice Evans**  
*Deputy Director, DBEDT*

DATE: March 11, 2014

#### Members

Chu Lan Shubert-Kwock  
*Chair*  
*Oahu*

SUBJECT: Support - Senate Bill 2487 SD 1, Relating to the Small Business  
Regulatory Flexibility Act

Anthony Borge  
*Vice Chair*  
*Oahu*

The members of the Small Business Regulatory Review Board (SBRRB) are in **support** of **S.B. 2487 SD1**, Relating to the Small Business Regulatory Flexibility Act. This measure requires members of the SBRRB to receive training by the appropriate division of the department of the attorney general, clarifies the contents of the annual report that the SBRRB must submit to the legislature, sunsets the SBRRB and chapter 201M, HRS on June 30, 2019.

Leslie Mullens  
*Second Vice Chair*  
*Maui*

This independent small business regulatory review board, better known as SBRRB, consists of eight pro-bono appointees from across the state each with different business backgrounds, and one designated DBEDT ex officio member, to provide a healthy, homegrown mixed plate representation of the 117,000+ small business entities throughout the state providing over 475,000 jobs.

Howard Lum  
*Oahu*

Barbara Bennett  
*Kauai*

Kyoko Kimura  
*Maui*

Craig Takamine  
*Hawaii*

Harris Nakamoto  
*Oahu*

Since the SBRRB's inception, we have reviewed and rendered our advice on over 600 proposed rules and amendments and existing rules and regulations submitted by state and county agencies. We have conducted our reviews of rules, regulations and petitions submitted to the board pursuant to the guidelines set forth in Chapter 91, HRS and Chapter 201M, HRS.

Richard C. Lim  
*Director, DBEDT*  
*Voting Ex Officio*

As appointed pro bono board members on the SBRRB, we firmly believe we are performing our role as representatives of small businesses: providing input, recommendations, engaging with agencies and small businesses on rules and regulations that may have a negative, detrimental impact that impedes the growth and success of the small businesses within our State. The SBRRB volunteers provide a valuable, needed service to enhance, promote and defend the continued growth of small business to perpetuate a positive, healthy economy and lifestyle for the benefit of our present and future generations here in Hawaii.

On behalf of the members of the Small Business Regulatory Review Board, we thank you for the opportunity to provide testimony in support of SB 2487 SD1.





Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committee on Economic Development and Business  
Tuesday, March 11, 2014 at 9:00 A.M.  
Conference Room 312, State Capitol**

**RE: SENATE BILL 2487 SD1 RELATING TO THE SMALL BUSINESS  
REGULATORY FLEXIBILITY ACT**

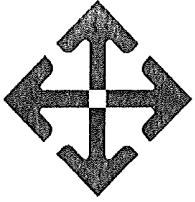
Chair Tsuji, Vice Chair Ward, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** SB 2487 SD1 Relating to the Small Business Regulatory Flexibility Act.

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.

Small businesses are the backbone of Hawaii's economy and they struggle to make ends meet with all the government regulations imposed on them. The Small Business Regulatory Flexibility Act helps review government regulations to ensure that they do not harm small businesses.

We urge the committee to defer this bill. Thank you for the opportunity to testify.



*Hawaii Business League*

*1188 Bishop St., Ste. 1003\*\*\*Honolulu, HI 96813-3304*

*Phone: (808) 533-6819 \* Fax: (808) 533-2739*

March 11, 2014

Testimony To: House Committee on Economic Development & Business  
Representative Clift Tsuji, Chair

Presented By: Tim Lyons  
President

Subject: S.B. 2487, SD 1 - RELATING TO THE SMALL BUSINESS REGULATORY  
FLEXIBILITY ACT

Chair Tsuji and Members of the Committee:

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

We can support this bill.

We continue to believe that the Small Business Regulatory Flexibility Act is a great vehicle. It's problem has been since it's very inception that it has not had the proper staff, not been given the proper attention and not been given sufficient resources to get its job done.

As you may know when the Act was first created, it pretty much received a "stiff arm" from most of the regulatory agencies. They largely ignored it and it wasn't until an executive order was sent to all the department heads that the Board was given any credence at all.

Under another administration, the Board was given even more credence and at this point, the Board worked better than it probably ever has. That is largely because the Departments came to the Board in order to get small business input and although, because it was new, it was considered one more step in the process, it nevertheless provided a very effective and important role in assuring that regulations without input did not take place.

We ask you to consider all the regulations and there are hundreds that go to the Small Business Regulatory Flexibility Board which are by and large reviewed and acted upon by a board of volunteers who has at times, had barely a part-time person assigned to it. With tons of regulations bestowed upon the Board for review we hardly see how a part-time person and a volunteer Board could accomplish that mission. This is not to say that this is not a worthwhile mission and it is not to say that it couldn't be done but it does take the resources and the personnel in order to provide for an effective process.

We would recommend to this Committee that you consider bolstering the Board and having the Legislature provide it with the proper resources and staff.

Thank you.

SB 2487, SD 1  
Proposed H01

Under Section 201M-5 Small business regulatory review board; powers.

- (a) There shall be established within the department of business, economic development, and tourism for administrative purposes, a small business regulatory review board to review any proposed new or amended rule or to consider any request from small business owners for review of any rule adopted by a state agency and to make recommendations to the agency or the legislature regarding the need for a rule change or legislation. For requests regarding county ordinances, the board may make recommendations to the county or the mayor for appropriate action.
  
- (b) In order to operate effectively, the small business regulatory review board shall be sufficiently supported by the department of business, economic development and tourism. The director of the department of business, economic development and tourism shall include as part of this subsection sufficient administrative assistance with a reasonable nexus to the small business regulatory review activities of the board.

**ward2-Robin**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 10, 2014 8:49 AM  
**To:** edbtestimony  
**Cc:** clskwock@gmail.com  
**Subject:** Submitted testimony for SB2487 on Mar 11, 2014 09:00AM

**SB2487**

Submitted on: 3/10/2014

Testimony for EDB on Mar 11, 2014 09:00AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
CHU LAN SHUBERT-KWOCK	Individual	Support	No

Comments: The amended SB2487 also included comments from Chair Baker's Committee that DBEDT needs to step up and support SBRRB. as of now DBEDT is doing the very minimum to squeak by their role as SBRRB's administrative agency.

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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