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Testimony on House Bill 3459

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SUBMITTED BY: Sec. Kate Brown

Chair Doherty, members of the committee, my name is Peter Threlkel; I am the Director of the Corporation Division for the Secretary of State's office, here to talk with you today about House Bill 3459.

House Bill 3459 is part of the Secretary of State's effort to improve the business climate in Oregon by creating the Office of Small Business Assistance to work with small businesses and regulatory agencies to ensure that small business has a voice on state regulatory matters.

Just as good rules are needed to allow traffic to flow smoothly in a city, they are also essential to allow business transactions to flow effectively. Good business regulations enable the private sector to thrive and business to expand their economic footprint. But poorly designed regulations can become obstacles to doing business.

According to a recent report from the Federal Small Business Administration Office of Advocacy, most of Oregon's small businesses are very small as 75 percent of all businesses have no employees, and most employers have fewer than 20 employees. Yet, small businesses are responsible for 1.3 million jobs in Oregon and are the greatest source of innovation and economic growth in the state.

While collectively small businesses are the backbone of Oregon's economy, individually many may lack the resources and know-how to effectively navigate and understand the state's many regulatory burdens and requirements.

Businesses may often encounter difficulty receiving timely response or resolution from state agencies that regulate business, and in business, time is money. The many laws, rules and policies of state government are at times complex and confusing. State agencies may often be understaffed, overworked and may not be equipped to provide timely feedback or response to a business' legitimate request for information on the issuance of a permit, or finding of a regulatory action.

Oregon's small businesses could use an advocate inside of government to help them work with state agency regulators to understand agency decisions, requirements, and get a reasonable expectation for a decision or outcome.

House Bill 3459 will help small business overcome many of these obstacles by providing business a place in state government to take their concerns and hopefully have them addressed. Specifically the bill will:

- Facilitate state regulatory agency interaction with small businesses so that businesses receive timely responses to inquiries and requests, and resolution of issues;
- Recommend improvements to positively impact the business climate in Oregon;
- Provide outreach to businesses and business advocacy groups throughout the state;
- Direct small businesses to appropriate resources, such as agency ombudsmen, advocates, and Regional Solutions Teams, to assist in navigating government interactions;
- Issue reports of findings and recommendations based on investigated complaints.

The bill was drafted to compliment other agency efforts to streamline regulations and not create unnecessary overlap or redundancy with agency ombudsmen efforts or the Governor's regional solutions teams.

The goal for the Office of Small Business Assistance will be to work with agencies and small business to help make Oregon a leader in implementing SMART regulation, that is:

- **Streamlined** - regulations that accomplish the desired outcome in the most efficient way,
- **Meaningful** – regulations that have a measurable positive impact in facilitation interactions in the marketplace,
- **Adaptable** – regulations that adapt to changes in the environment,
- **Relevant** – regulations that are proportionate to the problem they are designed to solve, and
- **Transparent** - regulations that are clear and accessible to anyone who needs to use them

The bill does have a fiscal impact of \$254,613 (Other Funds) for the 2013-15 biennium as two positions are required to staff the new duties of the office and to facilitate interactions between state regulatory agencies and small business. Other fund revenues are available to cover this new cost.

Thank you for allowing my testimony. I would be happy to answer any questions that you have.