



**TESTIMONY
EAST OF THE RIVER CHAMBERS OF COMMERCE ASSOCIATION
BEFORE THE COMMERCE COMMITTEE
FEBRUARY 17, 2009**

**RE: HB-5930, AN ACT REQUIRING SMALL BUSINESS IMPACT ANALYSES
FOR PROPOSED REGULATIONS**

The East of the River Chambers of Commerce Association (ERCCA) includes 3500 businesses from Glastonbury, East Hartford, Manchester, North Central Connecticut, South Windsor and Tolland County. **ERCCA strongly supports HB-5930, An Act Requiring Small Business Impact Analyses for Proposed Regulations.**

Connecticut's economy is clearly dependent on the growth of small business, which has accounted for the vast majority of new jobs in this state. We must support small business by strengthening efforts to give them a voice in shaping regulations affecting their bottom line.

HB-5930 requires state agencies to include a small business fiscal impact analysis which will highlight how the proposed regulation will affect Connecticut's small businesses. Research conducted by the U.S. Small Business Administration indicates that small businesses spend \$7,647 each year per employee to comply with federal regulations. State and local regulations add considerably to these compliance costs.

In order to foster a climate for entrepreneurial success in Connecticut and help small business create jobs and produce new products and services, we need to be careful about the regulatory burden we place on these companies. States that have adopted similar laws have discovered that by working with small businesses, they can develop alternative ways of implementing regulations that are less burdensome to small business without sacrificing important goals such as environmental quality, public health and safety.

For example, under Vermont law, agencies must prepare an economic impact statement on proposed regulations. Pursuant to the federal Clean Water Act, Vermont was required to adopt new rules for managing manure runoff on medium-sized farms. Instead of adopting the federal rule, which would have required each farm to obtain a costly individual operating permit, Vermont regulators worked closely with farm owners to craft an alternative general permit, which was a more economically feasible and flexible approach to the permitting issue but still very protective of water quality concerns. HB-5930 will provide Connecticut with more opportunities to shape regulations in ways that will not prove overly burdensome to small business.

We therefore urge your adoption of HB-5930.

Established more than 20 years ago, ERCCA represents six independent Chambers of Commerce serving over 28 towns in Eastern Connecticut and more than 3,500 business members