



The Voice of Small Business®

## CONNECTICUT

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS  
BY  
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR  
SUPPORTING  
HB-5930, AA REQUIRING SMALL BUSINESS IMPACT ANALYSES  
FOR PROPOSED REGULATIONS;  
HB-6425, AAC SMALL BUSINESS REGULATIONS  
BEFORE THE  
COMMERCE COMMITTEE  
FEBRUARY 17, 2009**

*Chairman LeBeau, Chairman Berger, Members of the Commerce Committee - The National Federation of Independent Business (NFIB), Connecticut's and the nation's leading small-business advocacy association, respectfully submits the following comments supporting the aforementioned bills:*

A problem most frequently cited by small business is complying with regulations, many with unclear or confusing instructions. Overall, small businesses need to know how a particular regulation will impact their business and be able to recognize what they must do to comply with a regulation. Regulatory simplicity can save small business and the State of Connecticut time, effort and money. Cumbersome regulations have the effect of a hidden tax, discouraging expansion and causing expensive delays for both start-up and existing companies.

In the 2008 edition of "Small Business Problems & Priorities" by the NFIB Research Foundation, "Unreasonable Government Regulations" ranked as the 6<sup>th</sup> greatest problem of concern from small business owners, up from its 9<sup>th</sup> position in 2004. Much like taxes, this generic problem category costs small businesses in several ways: understanding and keeping up-to-date with compliance requirements, costs of consultants, employee time, management time, direct outlays, lost productivity and/or sales, forgone opportunities, etc. The federal government alone proposes approximately 150 new rules every year that cost business owners over \$100 million per rule in compliance costs. Adding state and local laws and regulations that sometimes duplicate federal regulations, merely raise the cost and frustration level for small business.

The aforementioned legislation goes a long way to ensure both regulatory relief and compliance for small businesses by providing for a "preventative look" or comprehensive analyses of the projected impact a proposed regulation will have on small business BEFORE it is enacted. This is a common sense approach that not only provides for additional transparency in the regulatory process, but can also ultimately result in better drafted and administered regulations.