



**CONNECTICUT**

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
SUPPORTING  
SB-845, AAC THE FISCAL IMPACT OF PROPOSED AGENCY REGULATIONS  
BEFORE THE  
GOVERNMENT ADMINISTRATION & ELECTIONS COMMITTEE  
FEBRUARY 13, 2015**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:*

NFIB/Connecticut supports SB-845. This bill, which would create an expanded fiscal note on proposed regulations to consider the potential costs to business, as well as requiring a public hearing before the Regulation Review Committee on such regulations that are deemed costly to either businesses or municipalities, represents a step in the right direction for Connecticut towards tackling issues of regulatory reform and state agency efficiencies.

In the 2012 edition of "Small Business Problems & Priorities" by the NFIB Research Foundation, "Unreasonable Government Regulations" ranked as the 5<sup>th</sup> greatest problem of concern from small business owners, up from its 6<sup>th</sup> position in 2008. 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.

Small business owners routinely utilize metrics, examine potential return on investments and perform cost-benefit analyses when making business decisions; it only makes sense that state regulations are subject to similar analyses and a clear fiscal note for the private sector be put forth. A greater understanding of the costs and regulatory impact on businesses, but especially small businesses – beyond the existing small business impact statements – is sorely needed, and NFIB/Connecticut believes that SB-845 would be a positive and significant step in that direction.



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According to the United States Small Business Administration's Office of Advocacy, "Giving small employers a voice early in the [regulatory] process is key to reducing the negative impact of regulations on small businesses, increasing the level of regulatory compliance, and passing on cost savings to state economies." A public hearing before the Regulations Review Committee, while not necessarily "early" in the process, is nonetheless a vital opportunity for businesses (and others) to make their concerns known on final draft regulations and provide the Committee with perspective before legislative approval.

NFIB/Connecticut thanks both the proponent and the leadership and members of the GAE Committee for its consideration of this legislation. We would be happy to work with members of the Committee, and other interested parties in this endeavor. We are hopeful that this legislation will move forward and as such, NFIB urges lawmakers to approve SB-845.