



CONNECTICUT

TESTIMONY OF
ANDY MARKOWSKI, STATE DIRECTOR
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
SUPPORTING
SB-128, AA EXEMPTING NEW BUSINESSES FROM STATE REGULATION
BEFORE THE
COMMERCE COMMITTEE
FEBRUARY 23, 2017

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 the intent of SB-128. This pro-small business bill would allow for entrepreneurs and new businesses to be exempt from state regulations for the first two years of operation. This proposal is similar to, and seemingly builds upon, previous proposals supported by this Committee and the legislature as a whole which established the "Entrepreneur's Learners Permit Program".

According to the August, 2016 edition of the "Small Business Problems & Priorities" report by the NFIB Research Foundation, small business problems generally fall within one of ten generic problem clusters. Each cluster contains all of the survey's problems related to that topic. In order of importance, "Taxes", "Regulations" and "Costs" make up three of the top four problem clusters respectively. Problems related to state and local permits, filings, fees and the related paperwork burden help make up these problem clusters. When a business is in its infancy, the time and expenses involved in obtaining various and multiple licenses, permits and compliance with filings can stymie both the productivity and cash flow of a new business – two key metrics for success. This legislation can directly assist these business owners during this initial phase. Moreover, due to the alarming decrease in business ownership among people under 30 (recently reached a 24-year-low according to new data – See "Endangered Species: Young U.S. Entrepreneurs, *Wall Street Journal*, 1/2/15), it is more important than ever that the state of Connecticut does everything it can to help incubate (as opposed to exterminate) new businesses and entrepreneurs. Legislation such as SB-128 can go a long way to help in this regard.

NFIB/Connecticut thanks the leadership and members of the Commerce Committee for its consideration of this legislation. We would be happy to work interested parties in this endeavor. We are hopeful that the concept embodied in this legislation will move forward and as such, NFIB urges lawmakers to approve SB-128.