

Sponsor Statement

CSHB 33 (FIN)

“An Act relating to the effect of regulations on small businesses; and providing for an effective date.”

More than half of all Alaskans work for a small business. In recent years, almost all of the net job growth in Alaska was generated by small businesses. Small businesses provide the economic infrastructure in Alaska and facilitate organic growth in the economy.

Regulations can inadvertently create hurdles for small businesses and lead to significant costs. Money spent by a small business complying with regulations and red tape could be spent on wages, benefits, and new employees or be reinvested to grow the business. House Bill 33 requires state regulatory agencies to consider the impact of proposed regulations on small businesses before they adopt a regulation.

HB 33 also directs the Department of Commerce, Community and Economic Development to assist agencies in writing regulations to minimize the impact on small businesses without compromising the objectives of statutes.

HB 33 is modeled on the Federal Regulatory Flexibility Act of 1980 that saved small businesses over \$17 billion last year in compliance costs.

Adding an emphasis on the impact of regulation on small businesses to the regulatory process is a broad and significant policy statement. HB 33 is a bottom up approach to economic development, a step towards creating a more responsive government, and an effort to strengthen Alaska's economy for sustainable growth.