

BIPARTISAN HOUSE SMALL BUSINESS CAUCUS UNVEILS ITS 2010 LEGISLATIVE GOALS

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House Republican Caucus contact: Stephanie Mantegna, 302-577-8515

House Democratic Caucus contact: Drew Volturo, 302-744-4001

DOVER – Members of the House Small Business Caucus, a bipartisan panel established to address issues related to small businesses in Delaware, announced on Wednesday a package of legislative initiatives designed to aid small businesses throughout the state by leveling the playing field for in-state contractors, improving small business lending and reforming health care insurance.

Organized last year by Reps. Bryon H. Short (D-Highland Woods) and Daniel B. Short (R-Seafood) – small business owners in Delaware – the House Small Business Caucus is comprised of House members from both political parties who have a background in small business and are interested in improving the conditions for small businesses in Delaware.

The U.S. Small Business Administration reports that the latest Census statistics show that businesses in Delaware that employ less than 20 employees make up approximately 80 percent of the firms in the state.

Throughout the past year, the Small Business Caucus met with small business owners across the state gathering input on how the state can strengthen the small business environment. Last fall, the Small Business Caucus held meetings in each of the three counties to hear directly from Delaware's small business owners, as well as representatives from the various Chambers of Commerce and trade associations throughout the state. As a result of those meetings, the Small Business Caucus crafted its legislative initiatives for this session.

“I want to thank the small business owners throughout the state who have been instrumental in helping to craft our legislative agenda,” Rep. Daniel Short said. “Their input has been invaluable. We know that there are a number of issues facing small business owners in Delaware and we are hopeful that our agenda will begin the process of addressing their concerns. We also know we have more work to do, and we believe that this will start the process of providing a more business-friendly environment in the state.”

The legislative plan includes the following action items:

- Leveling the playing field for in-state contractors – The Small Business Caucus is working toward ensuring the success of Delaware contractors through the following two proposals:
 - The *Payment Act Bill*, which will prohibit out-of-state general contractors from requiring Delaware sub-contractors, working on local projects, to travel out of

state to have their legal disputes heard.

- The *License Reciprocity Bill*, which addresses an inequity in licensing procedures for out-of-state contractors in the plumbing and heating, ventilation, air conditioning and refrigeration fields. Currently, a licensed contractor from another state can get a Delaware license by simply paying a fee and proving that they are licensed elsewhere. In some cases, other states do not offer the same reciprocity, and require Delaware contractors to take a written test, pay a fee and satisfy all licensing criteria for that state. Under this bill, if the out-of-state contractor's home state has provisions similar to Delaware's then Delaware offers the same provisions. If the other state does not offer reciprocity, then Delaware would require that the contractor obtain a Delaware license in the same way that a Delaware contractor is required to.
- Increasing Regulatory Flexibility – This legislation is designed to create a friendlier regulatory environment for small businesses.
- Improving Small Business Lending – This House Resolution calls on Delaware's Congressional Delegation to examine the issues relating to the obstacles small businesses face in trying to obtain a small business loan and work to develop solutions.
- Revising Delaware's LIFT (Limited Investment for Financial Traction) program – The LIFT program uses money from the state's Strategic Fund to subsidize the interest on small business loans. The Caucus has met with Governor Markell's administration to share suggestions from the small business community as to how the LIFT program can be improved. The governor's office has agreed to consider our suggestions.
- Reforming Healthcare Insurance – This initiative includes enacting several reform measures:
 - *House Bill 85* – This bill implements recommendations of the Delaware Health Care Commission and its Small Business Health Insurance Committee to reform rating rules for small employer group health insurance. A comprehensive review of the current law revealed that it is complicated, difficult to understand, and does not achieve the goal of making premiums more predictable from year to year. (HB 85 was passed by the House last year and remains pending in the Senate Insurance Committee.)
 - *House Bill 137* – This bill requires the Insurance Commissioner to arrange for random audits of small employer health insurance carriers doing business in Delaware. (HB 137 remains pending in the House.)
 - *Skinny Health Insurance Legislation* – The Small Business Caucus encourages Delaware insurance providers examine the pros and cons of marketing a policy that offers only essential insurance coverage.

- *Workers' Compensation Law* – This House Resolution requests a formal analysis of the impact on premium costs to employers that resulted from the enactment of the comprehensive Delaware Workers' Compensation reform law in 2007.

“With our economy still struggling, we as legislators must do everything we can to help businesses succeed,” Rep. Bryon Short said. “Small businesses employ more Delawareans than any other industry in the state. Their success is vital to ours, and these proposals will help remove the obstacles that prevent small businesses from growing and thriving.

“These initiatives the Small Business Caucus is pursuing have been carefully considered and are the result of a collaborative effort between a bipartisan group of legislators, small business owners and other stakeholders. We hope that their passage will open doors for many companies to succeed.”

