A BILL FOR AN ACT

RELATING TO ADMINISTRATIVE PROCEDURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that, in a democratic 1 system of government, the role of formulating policy is reserved 2 exclusively to the legislative branch. Under the separation of 3 powers doctrine, the authority of the executive branch is 4 restricted to executing and applying the laws enacted by the 5 legislature. Any delegation of legislative powers to the 6 executive branch to adopt rules to effectuate the legislature's 7 intent is administrative in nature and does not authorize the 8 executive branch to make or change laws through rulemaking. 9 such, when a gubernatorial administration exceeds the boundaries 10 of executive powers and encroaches upon legislative 11 prerogatives, it is incumbent upon the legislature to protect 12 its constitutional mandate to be the sole drafters of laws that 13 govern the people of Hawaii. 14 The legislature also finds that the sometimes ambiguous **15** · nature of administrative rules results in inconsistent 16 application or interpretation. In these instances, it is not 17 uncommon for questions on the interpretation of rules to be 18



adjudicated in administrative proceedings conducted by a hearing 1 officer. Having a hearing officer adjudicate an issue, in many 2 cases, can result in decisions on the issues being rendered more 3 quickly and less expensively than if decided in a formal court 4 proceeding. 5 These hearing officers grapple with important disputes--6 public assistance, land use boundaries, occupational licenses, 7 public utility regulation, and workers' compensation, to name a 8 few. With so much at stake, the determinations made by hearing 9 officers must be fair, credible, timely, and consistent. 10 To this end, in thirteen states, the hearings of some state 11 agencies are conducted through a separate office of hearing 12 officers. These offices are sometimes called central panels. 13 The first central panel was formed in California in 1947 in 14 order to improve the efficiency of the hearing process. 15 However, the most common argument in favor of central 16 panels is that separating hearing officers from the agency will 17 improve the perception and reality of fairness. The central 18 panel movement is driven by a combination of concerns about 19

efficiency, the perception of impartiality, independence, and

actual fairness.

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Proponents of a centralized system also say that
1
   centralization heads off conflicts of interest, bolsters public
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   confidence in the administrative process, promotes the
3
    diversification of caseload (which keeps hearing officers from
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   becoming stale), and lessens the politicization of the process
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    when hearing officers are subordinate to political appointees.
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         The legislature believes that the establishment of a
7
    central panel will provide a central forum:
8
              That will ensure consistency in determining whether
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         (1)
              state agency rules accurately reflect legislative
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              intent; and
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              In which challenges to the validity of such rules can
12
         (2)
              be decided efficiently, inexpensively, and fairly.
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         The purpose of this Act is to establish a central
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    administrative rules panel within the department of commerce and
15
    consumer affairs to administratively adjudicate declaratory
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    judgments, declaratory rulings, and contested cases for all
17
    state executive departments and administratively attached
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    agencies.
         SECTION 2. Chapter 91, Hawaii Revised Statutes, is amended
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    by adding a new section to be appropriately designated and to
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     read as follows:
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"§91- Central administrative rules panel; jurisdiction.
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   (a) Notwithstanding any law to the contrary, beginning July 1,
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   2007, all administrative actions regarding:
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             The lawful adoption of state administrative rules; or
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        (1)
             Whether state administrative rules exceed the scope
5
        (2)
              authorized under its enabling statutes;
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   and brought under section 91-7, 91-8, or 91-9 shall be
7
   adjudicated by the central administrative rules panel
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    established under section 26-9(t); provided that this section
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    shall not apply to a proceeding of a court of competent
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    jurisdiction when the court is adjudicating an action in which
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    the adjudication of an administrative rule or rules is ancillary
12
    to the larger action.
13
         (b) A decision by a hearing officer impaneled under this
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    section shall have the same force and effect of a decision
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    rendered by a hearing officer, board, commission, or agency
16
    authorized to render such a decision under section 91-7, 91-8,
17
    or 91-9 prior to the establishment of the central administrative
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19
    rules panel.
              Nothing in this section shall be deemed to prevent
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    resort to other means of review, redress, relief, or trial de
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- 1 novo, including the right of trial by jury, as may be provided
 2 by law."
- 3 SECTION 3. Section 26-9, Hawaii Revised Statutes, is
- 4 amended to read as follows:
- 5 "\$26-9 Department of commerce and consumer affairs. (a)
- 6 The department of commerce and consumer affairs shall be headed
- 7 by a single executive to be known as the director of commerce
- 8 and consumer affairs.
- 9 (b) The department shall protect the interests of
- 10 consumers, depositors, and investors throughout the State. It
- 11 shall set standards and enforce all laws and rules governing the
- 12 licensing and operation of, and register and supervise the
- 13 conduct of, trades, businesses, and professions, including
- 14 banks, insurance companies, brokerage firms, and other financial
- 15 institutions.
- 16 (c) The board of acupuncture, board of public accountancy,
- 17 board of barbering and cosmetology, boxing commission, board of
- 18 chiropractic examiners, contractors license board, board of
- 19 dental examiners, board of electricians and plumbers, elevator
- 20 mechanics licensing board, board of professional engineers,
- 21 architects, surveyors, and landscape architects, board of
- 22 massage therapy, board of medical examiners, motor vehicle

- 1 industry licensing board, motor vehicle repair industry board,
- 2 board of examiners in naturopathy, board of nursing, board of
- 3 examiners in optometry, pest control board, board of pharmacy,
- 4 board of physical therapy, board of psychology, board of private
- 5 detectives and guards, real estate commission, board of
- 6 veterinary examiners, board of speech pathology and audiology,
- 7 and any board, commission, program, or entity created pursuant
- 8 to or specified by statute in furtherance of the purpose of this
- 9 section including but not limited to section 26H-4, or chapters
- 10 484, 514B, and 514E shall be placed within the department of
- 11 commerce and consumer affairs for administrative purposes.
- 12 (d) Except as otherwise provided by this chapter, the
- 13 functions, duties, and powers, subject to the administrative
- 14 control of the director of commerce and consumer affairs, and
- 15 the composition of each board and commission shall be as
- 16 provided by law.
- 17 (e) Notwithstanding any provision to the contrary, the
- 18 employment, appointment, promotion, transfer, demotion,
- 19 discharge, and job descriptions of all officers and employees
- 20 under the administrative control of this department shall be
- 21 determined by the director of commerce and consumer affairs
- 22 subject only to applicable personnel laws.

- 1 The director of commerce and consumer affairs may (f) 2 appoint a hearings officer or officers not subject to chapter 76 to hear and decide any case or controversy regarding licenses 3 and the application and enforcement of rules involving any of 4 the boards, commissions, or regulatory programs within the 5 department of commerce and consumer affairs. The hearings 6 7 officer or officers shall have power to issue subpoenas, administer oaths, hear testimony, find facts, and make 8 conclusions of law and a recommended decision; provided that the 9 10 conclusions and decisions shall be subject to review and redetermination by the officer, board, or commission which would 11 have heard the case in the first instance in the absence of a 12 hearings officer. The review shall be conducted in accordance 13 14 with chapter 91. The director of commerce and consumer affairs may 15 appoint an information officer not subject to chapter 76 who 16 shall ensure the prompt and efficient handling of consumer 17
- 20 (h) The director may appoint a complaints and enforcement
 21 officer not subject to chapter 76 who shall facilitate the
 22 receipt, arbitration, investigation, prosecution, and hearing of

inquiries and the development of a strong consumer education

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program.

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complaints regarding any person who furnishes commodities,
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   services, or real estate for which a license, registration, or
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    certificate is required from the department or any board,
3
   commission, or regulatory program thereunder. In representing
4
    the State in bringing any action to enjoin unlicensed,
5
    unregistered, or uncertified activities, the department of
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    commerce and consumer affairs' attorneys shall be empowered to
7
    exercise all authority granted to the attorney general and to
8
9
    the director of the office of consumer protection under sections
    487-12, 487-14, 480-3.1, 480-15, 480-15.1, 480-20(c), and 480-
10
    22, as these sections now exist and as they subsequently may be
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    amended. The attorneys also shall be empowered to exercise all
12
    authority granted to the attorney general and to the responsible
13
    attorneys of the various counties under section 92F-13 in all
14
    cases involving documents and records within the custody or
15
    control of the regulated industries complaints office.
16
              The functions and authority previously exercised by
17
          (i)
    the treasurer (except funds custody, cash management, debt
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    management, and administering of veterans loans transferred to
19
    the department of budget and finance) as constituted are
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     transferred to the department of commerce and consumer affairs
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established by this chapter.

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         (j) In the course of an investigation of matters affecting
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    the interest of consumers, depositors, or investors, or of any
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    other matter within the jurisdiction of the department, the
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    director shall have the power to subpoena witnesses, examine
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    witnesses under oath, and require the production of books,
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    papers, documents, or objects that the director deems relevant
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    or material to the inquiry. Upon application by the director,
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    obedience to the subpoena may be enforced by the circuit court
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    in the county in which the person subpoenaed resides or is found
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    in the same manner as a subpoena issued by the clerk of a
11
    circuit court.
12
         The director shall appoint and commission one or more
    investigators as the exigencies of the public service may
13
    require. Persons appointed and commissioned under this section
14
15
    may serve subpoenas and serve process and orders pursuant to
    section 634-21. Nothing in this subsection shall be construed
16
    to entitle persons appointed and commissioned by the director to
17
    retirement benefits applicable to police officers under chapter
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    88.
20
              The director may adopt, amend, or repeal rules
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    pursuant to chapter 91 to effectuate the purposes of all laws
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within the jurisdiction of the department of commerce and

- 1 consumer affairs. The director's authority to adopt rules shall
- 2 not modify, impair, or otherwise affect the power of boards and
- 3 commissions placed within the department of commerce and
- 4 consumer affairs for administrative purposes from adopting,
- 5 amending, or repealing rules, except as provided for in
- 6 subsection (1).
- 7 (1) Any law to the contrary notwithstanding, the director
- 8 of commerce and consumer affairs may:
- 9 (1) Establish, increase, decrease, or repeal fees relating
- to any aspect of the registration, certification,
- 11 licensure, or any other administrative process for all
- laws within the jurisdiction of the department.
- Amendments to fee assessments shall be made pursuant
- to chapter 91;
- 15 (2) Assess fees for copies in any form of media of the
- 16 computerized records of the business registration
- 17 division or for electronic access to the computerized
- information on a one-time or on-going basis. The fees
- charged for the copies or access may include billing
- 20 service fees, network usage fees, and computer
- 21 consultant fees. In adopting these fees, the director
- shall take into account the intent to make the

1		division self-supporting. To this end, the fees may
2		reflect the commercial value of the service or
3		information provided. In the case of requests for
4		records by a nonprofit organization, the director may
5		reduce or waive the fees. This paragraph shall
6		control in any instance where there is a conflict
7		between this paragraph and any other statute; and
8	(3)	Assess fees for copies of consumer and business
9		educational publications prepared or issued by the
10		department. Fees collected under this paragraph shall
11		be deposited into the compliance resolution fund under
12		subsection (o). In the case of requests for copies by
13		a nonprofit organization, the director may reduce or
14		waive the fees. For purposes of this paragraph,
15		"consumer and business educational publications" does
16		not include copies of statutes or administrative
17		rules.
18	The	fees collected by the professional and vocational
19	licensing	g division and the business registration division shall
20	be deposi	ited into the compliance resolution fund under
21	subsection	on (o).

H.B. NO.**ጊሪ**07

The director may appoint program specialists, not subject 1 2 to chapter 76, to assist with the activities of the professional 3 and vocational licensing division. Notwithstanding section 92-17 or any other law to the 4 contrary, all boards, commissions, and regulatory programs 5 placed within the department of commerce and consumer affairs 6 7 for administrative purposes shall delegate their authority to 8 receive, arbitrate, investigate, and prosecute complaints to the 9 department. Each board and commission, as well as the director, by 10 written order, may delegate to the executive secretary or other 11 12 personnel of the department any of its powers or duties as it deems reasonable and proper for the administration of the 13 licensing laws that are within the jurisdiction of the 14 department of commerce and consumer affairs. The delegated 15 16 powers and duties may be exercised by the executive secretary or other personnel of the department in the name of the board, 17 commission, or the director. However, neither a board, a 18 19 commission, nor the director shall delegate the authority to adopt, amend, or repeal rules or take final disciplinary action 20

against a licensee.

(o) Every person licensed under any chapter within the 1 jurisdiction of the department of commerce and consumer affairs 2 3 and every person licensed subject to chapter 485 shall pay upon issuance of a license, permit, certificate, or registration a 4 fee and a subsequent annual fee to be determined by the director 5 and adjusted from time to time to ensure that the proceeds, 6 together with all other fines, income, and penalties collected 7 8 under this section, do not surpass the annual operating costs of conducting compliance resolution activities required under this 9 10 section. The fees may be collected biennially or pursuant to 11 rules adopted under chapter 91, and shall be deposited into the special fund established under this subsection. Every filing 12 pursuant to chapter 514E or section 485-6(15) shall be assessed, 13 upon initial filing and at each renewal period in which a 14 15 renewal is required, a fee that shall be prescribed by rules 16 adopted under chapter 91, and that shall be deposited into the special fund established under this subsection. Any unpaid fee 17 shall be paid by the licensed person, upon application for 18 renewal, restoration, reactivation, or reinstatement of a 19 20 license, and by the person responsible for the renewal, restoration, reactivation, or reinstatement of a license, upon 21 22 the application for renewal, restoration, reactivation, or

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reinstatement of the license. If the fees are not paid, the
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   director may deny renewal, restoration, reactivation, or
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   reinstatement of the license. The director may establish,
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   increase, decrease, or repeal the fees when necessary pursuant
4
   to rules adopted under chapter 91. The director may also
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    increase or decrease the fees pursuant to section 92-28.
6
7
         There is created in the state treasury a special fund to be
    known as the compliance resolution fund to be expended by the
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    director's designated representatives as provided by this
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    subsection. Notwithstanding any law to the contrary, all
    revenues, fees, and fines collected by the department shall be
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    deposited into the compliance resolution fund. Unencumbered
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    balances existing on June 30, 1999, in the cable television fund
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    under chapter 440G, the division of consumer advocacy fund under
    chapter 269, the financial institution examiners' revolving
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    fund, section 412:2-109, the special handling fund, section 414-
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    13, and unencumbered balances existing on June 30, 2002, in the
17
    insurance regulation fund, section 431:2-215, shall be deposited
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    into the compliance resolution fund. This provision shall not
19
    apply to the drivers education fund underwriters fee, section
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    431:10C-115, insurance premium taxes and revenues, revenues of
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the workers' compensation special compensation fund, section

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386-151, the captive insurance administrative fund, section 1 431:19-101.8, the insurance commissioner's education and 2 training fund, section 431:2-214, the medical malpractice 3 patients' compensation fund as administered under section 5 of 4 Act 232, Session Laws of Hawaii 1984, and fees collected for 5 deposit in the office of consumer protection restitution fund, 6 section 487-14, the real estate appraisers fund, section 466K-1, 7 the real estate recovery fund, section 467-16, the real estate 8 education fund, section 467-19, the contractors recovery fund, 9 section 444-26, the contractors education fund, section 444-29, 10 and the condominium education trust fund, section 514B-71. Any 11 law to the contrary notwithstanding, the director may use the 12 moneys in the fund to employ, without regard to chapter 76, 13 hearings officers, investigators, attorneys, accountants, and 14 other necessary personnel to implement this subsection. Any law 15 to the contrary notwithstanding, the moneys in the fund shall be 16 used to fund the operations of the department. The moneys in 17 the fund may be used to train personnel as the director deems 18 necessary and for any other activity related to compliance 19 20 resolution.

1	As use	ed in this subsection, unless otherwise required by						
2	the context	t, "compliance resolution" means a determination of						
3	whether:							
4	(1)	Any licensee or applicant under any chapter subject to						
5		the jurisdiction of the department of commerce and						
6		consumer affairs has complied with that chapter;						
7	(2)	Any person subject to chapter 485 has complied with						
8		that chapter;						
9	(3)	Any person submitting any filing required by chapter						
10		514E or section 485-6(15) has complied with chapter						
11		514E or section 485-6(15); or						
12	(4)	Any person has complied with the prohibitions against						
13		unfair and deceptive acts or practices in trade or						
14		commerce;						
15	and includ	les work involved in or supporting the above functions,						
16	licensing, or registration of individuals or companies regulated							
17	by the department, consumer protection, and other activities of							
18	the department.							
19	The director shall prepare and submit an annual report to							
20	the governor and the legislature on the use of the compliance							
21	resolution	n fund. The report shall describe expenditures made						

from the fund including non-payroll operating expenses.

- 1 (p) Any law to the contrary notwithstanding, the
- 2 department of commerce and consumer affairs, or any board or
- 3 commission placed within it for administrative purposes, may
- 4 contract with professional testing services to prepare,
- 5 administer, and grade examinations and tests for license
- 6 applicants. For these purposes, the department may require
- 7 applicants to pay the examination fee directly to the testing
- 8 agency.
- 9 (q) Any law to the contrary notwithstanding, when any type
- 10 of bond or insurance required to be maintained by any licensee
- 11 under a regulatory program of the department of commerce and
- 12 consumer affairs, or of any board or commission assigned to the
- 13 department of commerce and consumer affairs, cannot reasonably
- 14 be secured, the department, board, or commission may provide by
- 15 rule for alternative forms of security to the consumer so long
- 16 as that alternate security is no less than that provided by the
- 17 type of bond or insurance initially required.
- 18 (r) Notwithstanding any other law to the contrary, the
- 19 department of commerce and consumer affairs, or any board or
- 20 commission placed within it for administrative purposes, may
- 21 change any license renewal date by rules adopted in accordance
- with chapter 91.

1	(s) The director of commerce and consumer affairs may
2	establish advisory committees, the members of which shall serve
3	as consultants to the boards and to the director in their review
4	of licensees referred for possible disciplinary action and as
5	experts to the department for investigations and professional
6	vocational licensing matters. Each advisory committee shall be
7	appointed by the director from a list of licensees submitted
8	annually by the board or by referral from the regulated industry
9	for which an advisory committee is appointed. Each member of
10	the committee shall serve until a new committee is established
11	or until the particular case for which the member was designated
12	a consultant or expert has been concluded.
13	All members of the advisory committee shall serve
14	voluntarily and without compensation, but shall be paid
15	reasonable allowances for travel and expenses that may be
16	incurred as a result of performance of their duties on the
17	committee. The costs shall be paid by the department.
18	Any member of the advisory committee shall be immune from
19	civil liability for any act done in connection with this
20	subsection

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              There is established a central administrative rules
         (t)
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    panel within the department of commerce and consumer affairs to
3
    adjudicate all administrative actions regarding:
4
              The lawful adoption of state administrative rules; or
         (1)
5
         (2)
              Whether state administrative rules exceed the scope
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              authorized under its enabling statutes;
    and brought under section 91-7, 91-8, or 91-9. The director may
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8
    employ attorneys, subject to chapter 76, for the purpose of
    serving as hearing officers for the central administrative rules
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10
    panel.
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         The director shall establish procedures to effectuate the
    efficient adjudication of administrative actions regarding state
12
    administrative rules brought under this subsection and section
13
    91-7, 91-8, or 91-9."
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         SECTION 4. Section 91-7, Hawaii Revised Statutes, is
    amended to read as follows:
16
         "§91-7 Declaratory judgment on validity of rules.
17
    Any interested person may obtain a judicial declaration as to
18
    the validity of an agency rule, as provided in subsection (b)
19
     [herein], by bringing an action against the agency in the
20
    circuit court of the county in which petitioner resides or has
21
    its principal place of business [-] or with the central
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- 1 administrative rules panel. The action may be maintained
 2 regardless of whether [or not] the petitioner has first
- 3 requested the agency to pass upon the validity of the rule in
- 4 question.
- 5 (b) The court or the central administrative rules panel,
- 6 as applicable, shall declare the rule invalid if it finds that
- 7 it violates constitutional or statutory provisions, [or] exceeds
- 8 the statutory authority of the agency, or was adopted without
- 9 compliance with statutory rulemaking procedures."
- 10 SECTION 5. Section 91-8, Hawaii Revised Statutes, is
- 11 amended to read as follows:
- 12 "§91-8 Declaratory rulings by county agencies[-] and the
- 13 central administrative rules panel. Any interested person may
- 14 petition [an] a county agency or the central administrative
- 15 rules panel, as applicable, for a declaratory order as to the
- 16 applicability of any statutory provision or of any rule or order
- 17 of [the] an agency. Each county agency and the central
- 18 administrative rules panel shall adopt rules prescribing the
- 19 form of the petitions and the procedure for their submission,
- 20 consideration, and prompt disposition. Orders disposing of
- 21 petitions in such cases shall have the same status as other
- 22 agency orders."

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        SECTION 6. Section 91-9, Hawaii Revised Statutes, is
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   amended to read as follows:
         "§91-9 Contested cases; notice; hearing; records.
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4
   Subject to section 91-8.5, in any contested case, all parties
    shall be afforded an opportunity for hearing after reasonable
5
6
   notice.
              The notice shall include a statement of:
7
         (b)
              The date, time, place, and nature of hearing;
8
         (1)
              The legal authority under which the hearing is to be
9
         (2)
10
              held;
11
              The particular sections of the statutes and rules
         (3)
              involved;
12
              An explicit statement in plain language of the issues
13
         (4)
              involved and the facts alleged by the agency whose
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15
              rules are subject to contest in support thereof;
              provided that if the agency is unable to state such
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              issues and facts in detail at the time the notice is
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              served, the initial notice may be limited to a
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              statement of the issues involved, and thereafter upon
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              application, a bill of particulars shall be furnished;
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              The fact that any party may retain counsel if the
21
         (5)
22
              party so desires and the fact that an individual may
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1		appear on the individual's own behalf, or a member of
2		a partnership may represent the partnership, or an
3		officer or authorized employee of a corporation or
4		trust or association may represent the corporation,
5		trust, or association.
6	(c)	Opportunities shall be afforded all parties to present
7	evidence a	and argument on all issues involved.
8	(d)	[Any] The central administrative rules panel or a
9	county age	ency may modify or waive any procedure in a contested
10	case [may	be modified or waived] by stipulation of the parties.
11	and infor	mal disposition may be made of any contested case by
12	stipulati	on, agreed settlement, consent order, or default.
13	(e)	For the purpose of agency decisions, in the case of a
14	county, a	nd central administrative rules panel decisions[7] in
15	the case	of the State, the record shall include:
16	(1)	All pleadings, motions, intermediate rulings;
17	(2)	Evidence received or considered, including oral
18		testimony, exhibits, and a statement of matters
19		officially noticed;
20	(3)	Offers of proof and rulings thereon;
21	(4)	Proposed findings and exceptions;
22	(5)	Report of the officer who presided at the hearing;

1 (6) Staff memoranda submitted to members of the agency in 2 connection with their consideration of the case. It shall not be necessary to transcribe the record 3 (f) unless requested for purposes of rehearing or court review. 4 5 [No] Except as provided in this section, no matters 6 outside the record shall be considered by [the] a county agency or the central administrative rules panel in making its decision 7 8 [except as provided herein]." SECTION 7. Section 91-11, Hawaii Revised Statutes, is 9 10 amended to read as follows: 11 "§91-11 Examination of evidence by a county agency. 12 Whenever in a contested case the officials of the county agency 13 who are to render the final decision have not heard and examined all of the evidence, the decision, if adverse to a party to the 14 proceeding other than the county agency itself, shall not be 15 16 made until a proposal for decision containing a statement of 17 reasons and including determination of each issue of fact or law necessary to the proposed decision has been served upon the 18 parties, and an opportunity has been afforded to each party 19 adversely affected to file exceptions and present argument to 20 the officials who are to render the decision, who shall 21

- 1 personally consider the whole record or such portions thereof as
- 2 may be cited by the parties."
- 3 SECTION 8. Section 91-12, Hawaii Revised Statutes, is
- 4 amended to read as follows:
- 5 "\$91-12 Decisions and orders. Every decision and order
- 6 adverse to a party to the proceeding, rendered by [an] a county
- 7 agency or the central administrative rules panel in a contested
- 8 case, shall be in writing or stated in the record and shall be
- 9 accompanied by separate findings of fact and conclusions of law.
- 10 If any party to the proceeding has filed proposed findings of
- 11 fact, the agency shall incorporate in its decision a ruling upon
- 12 each proposed finding so presented. The county agency or the
- 13 central administrative rules panel, as the case may be, shall
- 14 notify the parties to the proceeding by delivering or mailing a
- 15 certified copy of the decision and order and accompanying
- 16 findings and conclusions within a reasonable time to each party
- 17 or to the party's attorney of record."
- 18 SECTION 9. Section 91-13, Hawaii Revised Statutes, is
- 19 amended to read as follows:
- 20 "§91-13 Consultation by officials of agency. No official
- 21 of [an] a county agency or a hearings officer of the central
- 22 administrative rules panel who renders a decision in a contested

1	case	shall	consult	any	person	on	any	issue	of	fact	except	upon

- 2 notice and opportunity for all parties to participate, save to
- 3 the extent required for the disposition of ex parte matters
- 4 authorized by law."
- 5 SECTION 10. (a) Not later than December 1, 2006, each
- 6 state department and administratively attached agency shall
- 7 submit a report to the attorney general that includes but shall
- 8 not be limited to:
- 9 (1) Draft legislation containing recommended amendments to
- 10 each state department and administratively attached
- agency's respective statutes that effectuate the
- 12 transfer of administrative adjudication functions
- previously authorized under section 91-7, 91-8, or 91-
- 9, Hawaii Revised Statutes, and transferred to the
- department of commerce and consumer affairs under this
- 16 Act; and
- 17 (2) Budget information that shall include but not be
- limited to position counts, salary amounts, statutory
- authorization for the positions, and any other
- information the department or administratively
- 21 attached agency deems appropriate, on hearing officer
- 22 positions under its jurisdiction.

JAN 2 4 2006

(b) Not later than twenty days prior to the convening of 1 2 the 2007 regular session, the attorney general shall review the 3 reports and draft legislation, summarize the reports into a single document, compile all recommended statutory amendments 4 into a single piece of legislation, and submit the report and 5 draft legislation to the legislature for its review. 6 7 SECTION 11. Statutory material to be repealed is bracketed 8 and stricken. New statutory material is underscored. 9 SECTION 12. This Act shall take effect on July 1, 2006. **10** INTRODUCED BY:

HB LRB 06-0394-1.doc

482607

Report Title:

Administrative Procedure; Central Administrative Rules Panel

Description:

Establishes a central administrative rules panel within the department of commerce and consumer affairs to adjudicate disputes over administrative rules for all state executive agencies.