

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 188
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 188 entitled:

"A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT,"

begs leave to report as follows:

The purpose of this measure is to clarify the Small Business Regulatory Flexibility Act, chapter 201M, Hawaii Revised Statutes (HRS).

Specifically, this Act:

- (1) Provides that a small business impact statement will be prepared and submitted to the Small Business Regulatory Review Board as early as practicable in the rule drafting process;
- (2) Provides that adopted rules affecting small business will be reviewed to determine if they are still appropriate within five years after adoption; and
- (3) Makes nonsubstantive changes to chapter 201M, HRS, to clarify the definition of a rule and to remove outdated sections of the chapter.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; and The Hawaii Business League.



Your Committee finds that the Small Business Regulatory Flexibility Act, Act 168, Session Laws of Hawaii 1998, serves as a model for many other states in helping local small businesses through a fair and equitable regulatory process. It has been particularly successful in the past three years with regard to rulemaking by public agencies, and their effects on small businesses.

Your Committee is in strong support of the work of the Small Business Regulatory Review Board and believes the amendments in this measure will further assist their work.

Your Committee has considered a concern regarding the proposed changes to section 201M-8, HRS, regarding violations related to safety or environmental impact, and believes that this issue may need further review.

Your Committee has amended this measure accordingly, by:

- (1) Requiring that a petition for regulatory review under section 201M-6, HRS, and the list of rules adopted in the previous five years under section 201M-7, HRS, be sent to the Ombudsman;
- (2) Deleting the proposed changes to section 201M-8, HRS; and
- (3) Making technical amendments for the purposes of clarity and to conform the measure to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,

Carol Fukunaga

CAROL FUKUNAGA, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB 188</i>	<i>EDT, CPH</i>	<i>2/13/07</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani				✓
IGE, David Y.	✓			
SLOM, Sam	✓			
TOTAL	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Will Espero</i>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes