

STAND. COM. REP. NO.

953

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 188
S.D. 2

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

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 188, S.D. 1,
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 amend the Small Business
Regulatory Flexibility Act.

Specifically, this measure provides that a small business
impact statement will be prepared and submitted to the Small
Business Regulatory Review Board as early as practicable. This
measure also requires that rules adopted that affect small
businesses shall be reviewed every five years to determine whether
they are still appropriate.

Additionally, this measure requires that a petition for
regulatory review under section 201M-6, Hawaii Revised Statutes
(HRS), and the list of rules adopted in the previous five years
under section 201M-7, HRS, be sent to the Office of the Ombudsman.

Your Committee received written comments in support of this
measure from the Department of Business, Economic Development, and
Tourism; the Small Business Regulatory Review Board; and the
Hawaii Business League. The Office of the Ombudsman submitted
written comments on this measure.



Your Committee finds that the Small Business Regulatory Flexibility Act serves as a fair and equitable regulatory process. This Act has been particularly successful in reviewing rulemaking by public agencies that affects small businesses.

Your Committee notes the concerns raised by the Office of the Ombudsman as to the requirement that any petitions 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 stored at the Office of the Ombudsman. The Ombudsman's concern is that the requirement is unnecessary and would not enhance the Office of the Ombudsman's ability to carry out its mandate.

In addition, the Office of the Ombudsman is concerned that it would become an official custodian of affected records and would have to establish a record keeping system and a means for providing public access in order to comply with chapter 92, HRS.

Your Committee further notes that the Ombudsman has requested that the requirement that the Office of the Ombudsman serve as a record depository be removed from this measure.

In order to promote further discussion, your Committee has amended this measure to change the effective date and to make technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 188, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,


BRIAN T. TANIGUCHI, Chair



