

STAND. COM. REP. NO.

3046

Honolulu, Hawaii

MAR 20 2008

RE: H.B. No. 2781  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred H.B. No. 2781, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SMALL BUSINESS,"

begs leave to report as follows:

The purpose of this measure is to assist small businesses by:

- (1) Requiring an agency to include, in its Small Business Impact Statement, information comparing the costs and benefits of a proposed rule to those of the comparable or related federal, state, or county law, to justify the proposed higher standard; and
- (2) Requiring an agency to periodically identify and justify existing rules that impose those higher standards.

Testimony in support of this measure was received from the National Federation of Independent Business and The Hawaii Business League. The Department of Commerce and Consumer Affairs and the Small Business Regulatory Review Board (SBRRB) submitted comments.

Your Committee finds that, while well intended, this measure would significantly increase the workload of the SBRRB and the resources necessary to support the increased responsibilities.



Your Committee further finds, however, that the concerns this measure would address require solutions if Hawaii's small businesses are to prevail in the face of increasing government requirements. Your Committee has amended this measure accordingly, by deleting its content and replacing it with language to:

- (1) Direct the SBRRB to convene a working group to study and make recommendations to resolve the concerns related to chapter 201M, Hawaii Revised Statutes, relating to small business regulatory flexibility; and
- (2) Report to the 2009 Legislature on its findings and recommendations, including any legislation necessary to implement the recommendations.

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 H.B. No. 2781, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2781, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

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



CAROL FUKUNAGA, Chair



