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# A BILL FOR AN ACT

RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD.

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

1           SECTION 1. The legislature is concerned that rules adopted  
2 by state agencies are often not amended or repealed to reflect  
3 recent changes in the statutes being implemented by the rules.  
4 This leads to inconsistencies and confusion. The legislature is  
5 particularly concerned that the failure to keep the rules up-to-  
6 date may cause state agencies, if only inadvertently, to follow  
7 and administer rules that no longer have any statutory basis.  
8 This situation is detrimental to business generally, and small  
9 business in particular.

10           The purpose of this Act is to ensure that administrative  
11 rules are reviewed and updated to remain current with related  
12 statutory provisions.

13           SECTION 2. Chapter 201M, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16           "§201M-           Annual review of rules affected by statutory  
17 changes. (a) For rules that affect small business, each state



1 agency shall submit a report to the board prior to August 15 of  
2 each year that:

3 (1) Updates the board on each rule that requires  
4 amendments and each new rule that requires adoption,  
5 due to a change in the applicable law;

6 (2) Informs the board of the need for and priority status  
7 of any rule amendments or new rule requiring adoption;  
8 and

9 (3) Informs the board of the status of each amended or new  
10 rule for which adoption is pending and the timeline  
11 for rule implementation.

12 (b) Prior to August 15 of each year, each state agency  
13 shall notify and provide an explanation to the board regarding  
14 any rules affecting small business that have not been  
15 promulgated to reflect changes in applicable law.

16 (c) The governor shall direct each state agency to work  
17 with the board to develop internal processes, such as  
18 modifications to existing directives, to expedite rulemaking  
19 actions for rules that affect small business and require  
20 amendment or adoption, due to a change in the applicable law.

21 (d) The board shall report to the legislature no later  
22 than twenty days prior to the convening of the regular sessions



1 of 2012 and 2013, and thereafter as needed, on the  
2 implementation of the requirements of this section, and  
3 recommendations, if necessary, on proposed legislation."

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2112.



**Report Title:**

Small Business Regulatory Review Board; Rules

**Description:**

Requires each state agency with rules affecting small businesses to submit an annual report to the Small Business Regulatory Review Board (Board) regarding the statutory changes that impact these rules, and the status of each amended or new rule for which adoption is pending. Requires the Governor to direct state agencies to work with the Board to develop internal processes to expedite rulemaking actions due to a change in applicable law. Effective July 1, 2112. (SB1498 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

