



GOV. MSG. NO. 1344

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

July 06, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 06, 2012, the following bill was signed into law:

SB2739 SD2 HD1 CD1

RELATING TO THE SMALL BUSINESS
REGULATORY REVIEW BOARD.
Act 241 (12)

Haha
Signed
Neil Abercrombie

NEIL ABERCROMBIE
Governor, State of Hawaii

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OFFICE OF THE PRESIDENT
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Approved by the Governor

on JUL 6 2012

THE SENATE
TWENTY-SIXTH LEGISLATURE, 2012
STATE OF HAWAII

ACT 241

S.B. NO. 2739
S.D. 2
H.D. 1
C.D. 1

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 purpose of this Act is to ensure the
2 stability of the small business regulatory review board by:
- 3 (1) Authorizing the board with good cause to request a
4 written response from the agency explaining the
5 rationale used to deny the public concerns;
- 6 (2) Reducing the size of the board from eleven to nine
7 members, with eight members appointed at large and the
8 director of business, economic development, and
9 tourism, or the director's designated representative,
10 to serve as an ex officio voting member of the board;
11 and
- 12 (3) Requiring each agency to notify the board on an annual
13 basis of any rules that should be amended or repealed
14 to reflect statutory amendments or repeals.

15 SECTION 2. Section 201M-3, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[~~+~~]**§201M-3**[~~+~~] **Small business statement after public**
18 **hearing.** (a) For any proposed [~~rules~~] rule that [~~affect~~]



1 affects small business, the agency shall also submit a small
2 business statement to the small business regulatory review board
3 and the departmental advisory committee on small business after
4 the public hearing is held. This section shall not apply to
5 emergency rules. The small business statement required by this
6 section shall provide the following information:

- 7 (1) A description of how opinions or comments from
8 affected small business were solicited, a summary of
9 the public and small business comments, and a summary
10 of the agency's response to those comments;
- 11 (2) The number of persons who:
12 (A) Attended the public hearing;
13 (B) Testified at the hearing; and
14 (C) Submitted written comments; and
- 15 (3) If there was a request to change the proposed rule at
16 the hearing in a way that affected small business, a
17 statement of the reasons for adopting the proposed
18 rule [~~without the~~], the reason why a requested change
19 was not made, and the problems or negative result the
20 change would provide if adopted.

21 (b) If the small business regulatory review board finds
22 that a statement provided pursuant to subsection (a)(3):



1 (1) Indicates inconsistency with any of the agency's
2 determinations under section 201M-2(b); or

3 (2) Does not address the concerns of public input,
4 the board with good cause may request a written response from
5 the agency explaining the rationale used to deny the public
6 concerns within ten working days of receipt of the small
7 business statement after public hearing. The agency shall
8 respond in writing to the board's concerns within ten working
9 days.

10 (c) The written response from an agency required in
11 subsection (b), at a minimum, shall:

12 (1) Specifically address each issue and concern raised in
13 the board's request for a written response; and

14 (2) Affirmatively state that the agency has considered all
15 written and oral testimony received at the agency's
16 public hearing and has addressed all issues or
17 concerns raised in the written and oral testimony."

18 SECTION 3. Section 201M-5, Hawaii Revised Statutes, is
19 amended by amending subsections (b) and (c) to read as follows:

20 "(b) The board shall consist of [~~eleven~~] nine members, who
21 shall be appointed by the governor pursuant to section 26-34[-



1 ~~Nominations to fill vacancies shall be made from names submitted~~
2 ~~by the review board.]~~; provided that:

3 (1) Three members shall be appointed from a list of
4 nominees submitted by the president of the senate;

5 (2) Three members shall be appointed from a list of
6 nominees submitted by the speaker of the house of
7 representatives;

8 (3) Two members shall be appointed by the governor;

9 (4) The director of business, economic development, and
10 tourism, or the director's designated representative,
11 shall serve as an ex officio voting member of the
12 board;

13 (5) The appointments shall reflect representation of a
14 variety of businesses in the State; [~~provided that no~~]

15 (6) No more than two members shall be representatives from
16 the same type of business[~~7~~]; and [~~that there~~]

17 (7) There shall be at least [~~two representatives~~] one
18 representative from each county.

19 For the purposes of paragraphs (1) and (2), nominations shall be
20 solicited from small business organizations, state and county
21 chambers of commerce, and other interested business
22 organizations.



1 (c) ~~[All]~~ Except for the ex officio member, all members of
2 the board shall be either a current or former owner or officer
3 of a business and shall not be an officer or employee of the
4 federal, state, or county government. A majority of the board
5 shall elect the chairperson. The chairperson shall serve a term
6 of not more than one year, unless removed earlier by a two-
7 thirds vote of all members to which the board is entitled."

8 SECTION 4. Section 201M-7, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Each agency having rules that affect small business
11 shall submit by June 30 of each odd-numbered year, a list of
12 those rules to the small business regulatory review board~~[-]~~;
13 provided that, by June 30 of each year, each agency shall submit
14 to the small business regulatory review board a list of any
15 rules to be amended or repealed, based upon any new, amended, or
16 repealed statute. The agency shall also submit a report
17 describing the specific public purpose or interest for adopting
18 the respective rules that affect small business and any other
19 reasons to justify ~~[its]~~ their continued implementation."

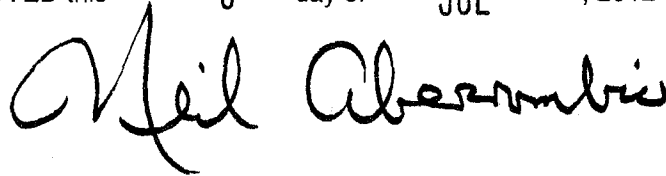
20 SECTION 5. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

22 SECTION 6. This Act shall take effect on July 1, 2012.

S.B. NO.

2739
S.D. 2
H.D. 1
C.D. 1

APPROVED this 6 day of JUL, 2012

A handwritten signature in black ink that reads "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII