

---

---

# A BILL FOR AN ACT

RELATING TO SMALL BUSINESS.

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

1           SECTION 1. The legislature recognizes that small  
2 businesses are an integral part of Hawaii's economy, comprising  
3 over ninety-five per cent of employers in the State and  
4 providing an estimated fifty-five per cent of private-sector  
5 jobs. Small business advocates have repeatedly raised concerns  
6 regarding regulatory processes. The small business regulatory  
7 review board was established in 1998 to support small businesses  
8 by addressing concerns regarding regulatory issues. Regulatory  
9 processes should be reviewed periodically to ensure that they  
10 remain current and relevant, thereby creating a dynamic business  
11 environment and encouraging a more robust economy.

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

14           " ~~[+]~~ §201M-3 ~~[+]~~ Small business statement after public  
15 hearing. (a) For any proposed ~~[rules]~~ rule that ~~[affect]~~  
16 affects small business, the agency shall also submit a small  
17 business statement to the small business regulatory review board  
18 and the departmental advisory committee on small business after



1 the public hearing is held. This section shall not apply to  
2 emergency rules. The small business statement required by this  
3 section shall provide the following information:

4 (1) A description of how opinions or comments from  
5 affected small business were solicited, a summary of  
6 the public and small business comments, and a summary  
7 of the agency's response to those comments;

8 (2) The number of persons who:

9 (A) Attended the public hearing;

10 (B) Testified at the hearing; and

11 (C) Submitted written comments; and

12 (3) If there was a request to change the proposed rule at  
13 the hearing in a way that affected small business, a  
14 statement of the reasons for adopting the proposed  
15 rule without the requested change.

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

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

20 (2) Does not address the concerns of public input,  
21 the board may require another public hearing on the proposed  
22 rule."



1 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

Small Business Regulatory Review Board; Rule Changes

**Description:**

Authorizes the small business regulatory review board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with its earlier determination or does not address the public's concerns.

(HD1)

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

