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A BILL FOR AN ACT

RELATING TO FEES FOR CHILD CARE LICENSING AND REGISTRATION.

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

1 SECTION 1. Chapter 346, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§346- Child care licensing and registration special  
5 fund. (a) There is established within the state treasury, to  
6 be administered by the department, the child care licensing and  
7 registration special fund into which shall be deposited:

8 (1) All fees received from applicants for a license to  
9 operate group child care homes or group child care  
10 centers as provided in section 346-163 and from  
11 applicants for a certificate of registration for  
12 family child care homes as provided in section 346-  
13 173;

14 (2) Appropriations made by the legislature to the fund;  
15 and

16 (3) Any other revenues designated for the fund.

17 (b) Moneys in the child care licensing and registration  
18 special fund shall be used for the following purposes:

1       (1) The costs of administering child care licensing and  
2       registration; and

3       (2) Any other purpose deemed necessary by the department  
4       for the purpose of ensuring the health and safety of  
5       children.

6       (c) All interest on special fund balances shall accrue to  
7       the special fund. Upon dissolution of the child care licensing  
8       and registration special fund, any unencumbered moneys in the  
9       fund shall lapse to the credit of the general fund."

10       SECTION 2. Section 346-163, Hawaii Revised Statutes, is  
11       amended to read as follows:

12       "**§346-163 Licenses and temporary permits.** (a) If  
13       satisfied that the applicant meets the minimum standards  
14       established pursuant to section 346-162 and subject to the  
15       criminal history record checks and child abuse record checks of  
16       section 346-154, the department shall grant the applicant a  
17       license for the operation of a group child care home or group  
18       child care center, as the case may be. The license shall be  
19       valid for:

20       (1) One year for new applicants and for those who have  
21       been licensed for less than four years; and

22       (2) Two years for those who have been licensed for four  
23       years or more,

1 unless sooner revoked. Where the activities of the applicant  
2 fall within the licensing requirements of the department of  
3 education and this subpart, a license shall be required from  
4 both the department of education and the department of human  
5 services.

6 A temporary permit may be issued for a period of six months  
7 at the department's discretion to any applicant who is  
8 temporarily unable to conform to all of the minimum standards.  
9 Renewal of the temporary permit shall be left to the  
10 department's discretion; provided that the combined period of  
11 the initial and subsequently renewed permits shall not exceed  
12 twenty-four months. Licenses and permits shall be conspicuously  
13 posted on the licensed premises.

14 (b) The department, by rules adopted pursuant to chapter  
15 91, may establish reasonable fees for the issuance or renewal of  
16 the licenses and permits."

17 SECTION 3. Section 346-173, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "[~~§~~346-173 [~~]~~] **Procedure for registration.** (a) A person  
20 desiring to have the person's home registered as a family child  
21 care home shall make application to the department. Upon  
22 receipt of the application, the department shall conduct a study  
23 of the applicant's qualifications, home, and proposed operation.

1 The department shall issue a certificate of registration to the  
 2 applicant which authorizes the applicant to operate a family  
 3 child care home if the department is satisfied that the premises  
 4 and proposed operation will be in compliance with the minimum  
 5 requirements established under section 346-172 and subject to  
 6 the criminal history record checks under section 346-154.

7 The provider shall operate and maintain the premises of the  
 8 family child care home in accordance with the minimum  
 9 requirements established under section 346-172 so long as  
 10 registered.

11 (b) The department, by rules adopted pursuant to chapter  
 12 91, may establish reasonable fees for the issuance of the  
 13 certificate of registration."

14 SECTION 4. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect upon its approval.

17  
 18 INTRODUCED BY: Caleb K. Jay

19 BY REQUEST  
 20 JAN 23 2012

H.B. NO. 2540

**Report Title:**

Child Care; License or Certificate of Registration; Fees

**Description:**

Allows the Department of Human Services to charge reasonable fees to obtain a child care license or certificate of registration and establishes a special fund.

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

JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO FEES FOR CHILD CARE LICENSING AND REGISTRATION.

PURPOSE: To allow the Department of Human Services to charge reasonable fees for a child care license or certificate of registration and establish a special fund into which the fees are to be deposited.

MEANS: Add a new section to chapter 346 and amend sections 346-163 and 346-173, Hawaii Revised Statutes.

JUSTIFICATION: The Department of Human Services is authorized to license group child care homes and group child care centers and issue certificates of registration for family child care homes. There are administrative costs associated with the licensing and certification activities, including site visits, observation of providers with children, inspections to ensure compliance with administrative rules to ensure the health and safety of the child care operations, and the assessment of the findings.

As with other business entities that are charged licensing and certification fees by other state agencies to conduct a business, the Department of Human Services is proposing to charge a reasonable fee to private business entities who want to operate a child care facility.

Authorization to charge reasonable fees will offset some of the administrative costs associated with issuing licenses and certificates of registration to individuals or business entities who want to care for children.

The fees charged will further ensure the safety of children in child care homes and child care centers by giving the Department resources to maintain the licensing standards.

Establishing a child care licensing and certificate of registration special fund into which the fees will be deposited will provide the Department with resources to ensure the health and safety of children.

Impact on the public: Current and future applicants for a child care license or certificate will be charged a fee for a license or certificate of registration, and may pass on the cost to families who utilize their services.

Impact on the department and other agencies: The Department would have to create the internal mechanism to collect fees, and promulgate administrative rules that specify details of the fees charged and the process to collect the fees.

The fees charged will further ensure the safety of children in child care homes and child care centers by giving the Department resources to maintain the licensing standards. Depositing the fees into the special account to be administered by the Department will further support this.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HMS 302.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.