

Honolulu, Hawaii

March 20, 2012

RE: S.B. No. 2739
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred S.B. No. 2739, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD,"

begs leave to report as follows:

The purpose of this measure as received by your Committee is to authorize the Department of Business, Economic Development, and Tourism to establish fees to be charged to each agency submitting rules to the Small Business Regulatory Review Board and to require agencies to notify the board annually regarding any rules that should be amended or repealed.

For the purposes of a public hearing on this bill, your Committee circulated a proposed draft (Proposed S.B. No. 2739, S.D. 2, H.D. 1) and notified the public that it would be accepting testimony on the proposal, which 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.



The Association of Public Accountants and at least one individual testified in support of the proposed draft. The Department of Human Services, Department of Labor and Industrial Relations, and Department of Agriculture opposed the proposed draft. The Hawaii Housing Finance and Development Corporation and Department of Business, Economic Development, and Tourism offered comments on the proposed draft.

Your Committee notes that the word "may" is used, rather than "shall," with regard to the directive that another hearing be held on the proposed rule, thereby indicating that it is discretionary and not mandatory.

Your Committee has adopted the proposed draft with the following amendments:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2739, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2739, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



