
A BILL FOR AN ACT

RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

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

1 SECTION 1. The legislature finds that Act 168, Session
2 Laws of Hawaii 1998, codified as chapter 201M, Hawaii Revised
3 Statutes, established the small business regulatory flexibility
4 act. Act 168 provided for a petition process to an agency for
5 regulatory review, periodic administrative review of rules with
6 small business impacts, and an independent regulatory review
7 board, known as the small business regulatory review board, to
8 consider concerns of small businesses and make recommendations
9 to adopt, amend, or repeal rules.

10 Unfortunately, the legislature also finds that the small
11 business regulatory review board has not been functioning as
12 originally envisioned. The legislature further finds that the
13 small business regulatory review board's role is to look at the
14 impact of rules on small businesses.

15 The legislature additionally finds that in order for the
16 small business regulatory review board to function effectively,
17 board members must have a thorough understanding of the role of
18 board members and the parameters of that role. Clarifying the



1 contents of the board's annual report to the legislature will
2 also assist with the efficient operation of the board.

3 Accordingly, the purpose of this Act is to better ensure
4 that the small business regulatory review board functions as
5 originally envisioned by:

6 (1) Requiring members of the small business regulatory
7 review board to receive training by the appropriate
8 division of the department of the attorney general to
9 ensure that the members have a clear understanding of
10 the role of board members and the parameters of the
11 members' role, including the hierarchy of the Hawaii
12 Revised Statutes and the Hawaii Administrative Rules;
13 and

14 (2) Clarifying the contents of the annual report that the
15 small business regulatory review board must submit to
16 the legislature.

17 SECTION 2. Section 201M-5, Hawaii Revised Statutes, is
18 amended to read as follows:

19 **"§201M-5 Small business regulatory review board; powers.**

20 (a) There shall be established within the department of
21 business, economic development, and tourism, for administrative
22 purposes, a small business regulatory review board to review any



1 proposed new or amended rule or to consider any request from
2 small business owners for review of any rule adopted by a state
3 agency and to make recommendations to the agency or the
4 legislature regarding the need for a rule change or legislation.
5 For requests regarding county ordinances, the board may make
6 recommendations to the county council or the mayor for
7 appropriate action.

8 (b) The board shall consist of nine members, who shall be
9 appointed by the governor pursuant to section 26-34; provided
10 that:

- 11 (1) Three members shall be appointed from a list of
12 nominees submitted by the president of the senate;
- 13 (2) Three members shall be appointed from a list of
14 nominees submitted by the speaker of the house of
15 representatives;
- 16 (3) Two members shall be appointed by the governor;
- 17 (4) The director of business, economic development, and
18 tourism, or the director's designated representative,
19 shall serve as an ex officio[+], [+] voting member of
20 the board;
- 21 (5) The appointments shall reflect representation of a
22 variety of businesses in the State;



1 (6) No more than two members shall be representatives from
2 the same type of business; and

3 (7) There shall be at least one representative from each
4 county.

5 For the purposes of paragraphs (1) and (2), nominations shall be
6 solicited from small business organizations, state and county
7 chambers of commerce, and other interested business
8 organizations.

9 (c) Except for the ex officio member, all members of the
10 board shall be either a current or former owner or officer of a
11 business and shall not be an officer or employee of the federal,
12 state, or county government. A majority of the board shall
13 elect the chairperson. The chairperson shall serve a term of
14 not more than one year, unless removed earlier by a two-thirds
15 vote of all members to which the board is entitled.

16 (d) A majority of all the members to which the board is
17 entitled shall constitute a quorum to do business, and the
18 concurrence of a majority of all the members to which the board
19 is entitled shall be necessary to make any action of the board
20 valid.

21 (e) The members of the board shall receive training by the
22 division of the department of the attorney general that oversees



1 the State's boards and commissions to ensure that the members
2 have a clear understanding of the role of board members and the
3 parameters of the members' role, including the hierarchy of the
4 Hawaii Revised Statutes and the Hawaii Administrative Rules.

5 [~~e~~] (f) In addition to any other powers provided by this
6 chapter, the board may:

- 7 (1) Adopt any rules necessary to implement this chapter;
8 (2) Organize and hold conferences on problems affecting
9 small business; and
10 (3) Do any and all things necessary to effectuate the
11 purposes of this chapter.

12 [~~f~~] (g) The board shall submit an annual report to the
13 legislature twenty days prior to each regular session detailing
14 any:

- 15 (1) Any requests from small business owners for review of
16 any rule adopted by a state agency ~~and~~;
17 (2) The impact or effect any such rule adopted by a state
18 agency would have on small businesses;
19 (3) Any action taken by the board in response to any
20 requests from small business owners for review of
21 rules adopted by state agencies, including any
22 recommendations made by the board to an agency or the



1 legislature regarding the need for a rule change or
2 legislation[. ~~The report shall also contain a~~];

3 (4) The outcome of any action taken pursuant to paragraph
4 (3); and

5 (5) A summary of the comments made by the board to
6 agencies regarding its review of proposed new or
7 amended rules.

8 (h) The department of business, economic development, and
9 tourism shall provide sufficient financial and administrative
10 support reasonably necessary for the board to conduct small
11 business regulatory review activities."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Small Business Regulatory Review Board; Training; Annual Report

Description:

Requires training for members of the Small Business Regulatory Review Board by the department of the attorney general. Clarifies the contents of the Board's annual report to the legislature. Requires the Department of Business, Economic Development, and Tourism to provide the Board adequate financial and administrative support. (SB2487 HD1)

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

