

STAND. COM. REP. NO.

1292

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 908  
S.D. 1  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred S.B. No. 908, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to provide greater clarity and effect to the Small Business Regulatory Flexibility Act by:

- (1) Providing more specificity in the definition of "small business";
- (2) Specifying the actions to be taken by the Small Business Regulatory Review Board (Board) after determining that a proposed rule will have a significant economic impact on a substantial number of small businesses;
- (3) Increasing the membership of the Board to eleven members from nine members;
- (4) Clarifying that agencies are required to submit to the Board by June 30 of each year, a list of rules to be



amended or repealed based on any new, amended, or repealed statute that impacts small business; and

- (5) Clarifying that the Board, after considering any report submitted by an agency, is required to submit its evaluation report to the Legislature prior to the end of the next even-numbered year.

The Department of Business, Economic Development and Tourism, Small Business Regulatory Review Board, The Chamber of Commerce Hawaii, Maui Chamber of Commerce, Building Industry Association of Hawaii, and The Hawaii Business League supported this measure. The Department of Taxation submitted comments.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the substantive provisions of H.B. No. 587, H.D. 1, which addresses the Board's need for additional resources to fulfill its important and critical function in the rulemaking process as it relates to small businesses and was heard in the House earlier this session. As amended this measure:

- (1) Appropriates funds to the Department of Business, Economic Development, and Tourism to provide additional resources to the Board; and
- (2) Takes effect on July 1, 2038.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 908, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 908, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



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

  
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MARK M. NAKASHIMA, Chair



