

ACT 272

H.B. NO. 3208

A Bill for an Act Relating to Small Businesses.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that small businesses in Hawaii are vital to the State's economic development and growth and help the State to maintain a stable and diversified economy. The legislature finds, however, that small businesses in the State are over-regulated by state government. Many state laws, although seemingly equitable on their face, often impose intolerable burdens on small businesses. Among the laws hampering small businesses are numerous state and county taxes; mandated benefits, including workers' compensation, health care, and motor vehicle insurance benefits; unemployment insurance costs; payroll costs; lease costs; licensing and permit fees; and reporting requirements.

The purpose of this Act is to establish a one-year blue ribbon task force on small business within the department of business, economic development, and tourism to review:

- (1) All existing state administrative rules relating to small businesses;
- (2) All state-originated proposed rules and proposed amendments to existing rules that affect small businesses prior to their adoption; and
- (3) All state laws that act as barriers to the formation, operation, and expansion of small businesses in the State.

SECTION 2. There is established a blue ribbon task force on small business within the department of business, economic development, and tourism for administrative purposes, to review:

- (1) All existing state administrative rules relating to small businesses as identified by the department of business, economic development, and tourism;
- (2) All state-originated proposed rules and proposed amendments to existing rules that affect small businesses prior to their adoption, concurrently with the department of business, economic development, and tourism; and
- (3) All state laws that act as barriers to the formation, operation, and expansion of small businesses in the State.

SECTION 3. The task force shall include members, who shall be appointed by the governor from a list to be submitted by the Hawaii Congress on Small Business.

SECTION 4. The blue ribbon task force on small business shall submit:

- (1) A preliminary report of its findings and recommendations to the governor and the legislature no later than twenty days prior to the convening of the regular session of 1997; and
- (2) A final report of its findings and recommendations to the governor and the legislature no later than twenty days prior to the convening of the regular session of 1998.

SECTION 5. This Act shall take effect on July 1, 1996, and shall be repealed on June 30, 1998.

(Approved June 18, 1996.)