

ACT 164

S.B. NO. 2204

A Bill for an Act Relating to Regulatory Processes.

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

SECTION 1. The purpose of this Act is to implement the regulatory process recommendations of the Economic Revitalization Task Force which was convened by the governor, the president of the senate, and the speaker of the house of representatives.

SECTION 2. The legislature recognizes the need to take constructive steps to improve Hawaii's business climate. Businesses inside and outside of the State have described the lengthy and indeterminate time required for business and development-related regulatory approvals, and the duplicative nature of the approval process, as an area which requires immediate attention. Substantive changes to these processes must be made in order to send a strong signal to the business community of the State's intent to improve the overall regulatory climate.

The purpose of this Act is to require the establishment of maximum time periods for the review and approval of all business and development-related permit approvals and licenses. Issuing agencies would be required to review applications for completeness in a timely manner and then to act upon the applications within an established time frame, or application approval would be automatic.

Maximum review and approval time periods would serve to provide all parties with a greater level of certainty of the time required for review and final determination by an agency on any application for a business or development-related permit, license, or approval.

SECTION 3. Chapter 91, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§91- Maximum time period for business or development-related permits, licenses, or approvals; automatic approval; extensions. (a) Unless otherwise provided by law, an agency shall adopt rules that specify a maximum time period to grant or deny a business or development-related permit, license, or approval; provided that the application is not subject to state administered permit programs delegated, authorized, or approved under federal law.

(b) All such issuing agencies shall clearly articulate informational requirements for applications and review applications for completeness in a timely manner.

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(c) All such issuing agencies shall take action to grant or deny any application for a business or development-related permit, license or approval within the established maximum period of time, or the application shall be deemed approved.

(d) The maximum period of time established pursuant to this section shall be extended in the event of a national disaster, state emergency, or union strike, which would prevent the applicant, the agency, or the department from fulfilling application or review requirements.

(e) For purposes of this section, “application for a business or development-related permit, license, or approval” means any state or county application, petition, permit, license, certificate, or any other form of a request for approval required by law to be obtained prior to the formation, operation, or expansion of a commercial or industrial enterprise, or for any permit, license, certificate, or any form of approval required under sections 46-4, 46-4.2, 46-4.5, 46-5, and chapters 183C, 205, 205A, 340A, 340B, 340E, 340F, 342B, 342C, 342D, 342E, 342F, 342G, 342H, 342I, 342J, 342L, and 342P.”

SECTION 4. All agencies shall adopt rules as required by section 3 of this Act on the first occasion that the agency’s rules are amended upon approval of this Act or by December 31, 1999, whichever is earlier.

SECTION 5. New statutory material is underscored.¹

SECTION 6. This Act shall take effect upon its approval.

(Approved July 14, 1998.)

Note

1. Edited pursuant to HRS §23G-16.5.