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A BILL FOR AN ACT

RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD.

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

1 SECTION 1. Section 201M-5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There shall be established within the department of  
4 business, economic development, and tourism, for administrative  
5 purposes, a small business regulatory review board to review any  
6 proposed new or amended rule. If the board determines that a  
7 proposed rule will not have a significant economic impact on a  
8 substantial number of small businesses, the board shall submit a  
9 statement to that effect to the agency that sets forth the  
10 reason for the board's decision. If the board determines that  
11 the proposed rule will have a significant economic impact on a  
12 substantial number of small businesses, the board may submit to  
13 the agency suggested changes in the proposed rule to minimize  
14 the economic impact of the proposed rule, or may recommend the  
15 withdrawal of the proposed rule. The board may also consider  
16 any request from small business owners for review of any rule  
17 proposed, amended, or adopted by a state agency or for review of  
18 any legislation affecting small businesses, and to make

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1 recommendations to the agency or the legislature regarding the  
2 need for a rule change or legislation. For requests regarding  
3 county rules, the board may make recommendations to the county  
4 council or the mayor for appropriate action."

5 SECTION 2. Section 201M-5, Hawaii Revised Statutes, is  
6 amended by amending subsection (f) to read as follows:

7 "(f) The Board shall submit an annual report to the  
8 legislature twenty days prior to each regular session detailing  
9 any requests from small business owners for review of any rule  
10 proposed, amended, or adopted by a state agency or for review of  
11 any legislation affecting small businesses, and any  
12 recommendations made by the board to an agency or the  
13 legislature regarding the need for a rule change or legislation.  
14 The report shall also contain a summary of the comments made by  
15 the board to agencies regarding its review of proposed new or  
16 amended rules."

17 SECTION 3. New statutory material is underscored.

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

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INTRODUCED BY: 

21

BY REQUEST  
JAN 22 2024

# H.B. NO. 2354

**Report Title:**

Small Business Regulatory Review Board; Legislation; Small Business

**Description:**

Clarifies that the Small Business Regulatory Review Board has the authority to review legislation affecting small businesses in response to a request from small business owners.

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

H.B. No. 2354

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE SMALL  
BUSINESS REGULATORY REVIEW BOARD.

PURPOSE: To clarify that, in addition to considering any request from small business owners for review of any rule, proposed, amended, or adopted by a state agency, the Small Business Regulatory Review Board has the authority to review legislation affecting small businesses in response to requests from small business owners.

MEANS: Amend section 201M-5(a) and (f), Hawaii Revised Statutes.

JUSTIFICATION: Because the statute appears vague regarding the Small Business Regulatory Review Board's purview to comment on proposed legislation in response to requests from small business owners, this bill will conform the wording of the statute to its intent.

Impact on the public: Ensures the stability of the Small Business Regulatory Review Board by clarifying its authority regarding legislation under the Small Business Regulatory Flexibility Act.

Impact on the department and other agencies:  
Minimal.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED-142.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.