Honolulu, Hawaii

MAR 0 3 2017

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 908 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to improve the functions of the Small Business Regulatory Review Board (Board).

Specifically, this measure:

(1) Clarifies the definition of "small business";

(2) Specifies the course of action of the Board after reviewing a proposed rule;

(3) Increases the number of Board members from nine to eleven;

(4) Requires agencies to submit to the Board by June 30 of each year, a list of rules to be amended or repealed, based upon any new, amended, or repealed statute that impacts small business; and

(5) Requires the Board to submit evaluation reports on rules to the Legislature each even-numbered year.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Chamber of Commerce Hawaii; and Ocean Tourism Coalition. Your Committee received written comments in opposition to this measure from the Hawaii Farm Bureau and one individual.

The Department of Taxation and Small Business Regulatory Review Board submitted written comments on this measure.

Your Committee finds that incorrectly determining that a proposed rule does not require a small business impact statement can lead to the rule later being overturned. Your Committee further finds that placing the determination of whether a rule requires a small business impact statement upon the Board removes the risk of rules being overturned because they were improperly adopted.

Your Committee further finds that increasing the membership of the Board from nine to eleven members will help with meeting and voting quorum.

Your Committee has amended this measure by:

(1)   Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;

(2)   Making a technical amendment to clarify the timing of when the evaluation report shall be submitted to the Legislature; and

(3)   Making technical amendments to sections 201M-5(b)(4) and 201M-7(c), Hawaii Revised Statutes, to reflect the printed version of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 908, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 908, S.D. 1.

Respectfully submitted on
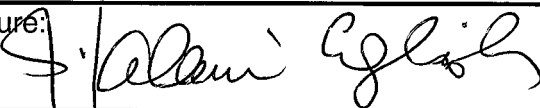behalf of the members of the
Committee on Ways and Means,

_____
JILL N. TOKUDA, Chair

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 908	ETT, WAM	24 Feb 2017

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to:_____

The Recommendation is:

☐ Pass, unamended 2312   ☒ Pass, with amendments 2311   ☐ Hold 2310   ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)				/
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	10			1

Recommendation:

☒ Adopted   ☐ Not Adopted

Chair's or Designee's Signature: _(signature)_

*Only <u>one</u> measure per Record of Votes