

EXECUTIVE CHAMBERS HONOLULU

DAVID Y. IGE GOVERNOR

June 27, 2018

GOV. MSG. NO. 1157

The Honorable Ronald D. Kouchi, President and Members of the Senate Twenty-Ninth State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Twenty-Ninth State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 27, 2018, the following bill was signed into law:

HB1932 HD1 SD2 CD1

RELATING TO EMERGENCY RULES BY AGENCIES ACT 056 (18)

Sincerely,

DAVID Y. IGE Governor, State of Hawai'i

ORIGINAL

ACT 056

H.B. NO.

1932

H.D. 1 S.D. 2

C.D. 1

Approved by the Governor on JUN 27 2018 HOUSE OF REPRESENTATIVES TWENTY-NINTH LEGISLATURE, 2018 STATE OF HAWAII

A BILL FOR AN ACT

RELATING TO EMERGENCY RULES BY AGENCIES.

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

1 SECTION 1. The legislature finds that periodically, 2 changes to controlling law may require immediate alterations to long-standing statutes, administrative rules, or agency 3 4 practices. The issuance of federal decisions may affect any regulated area, at any time, including when the legislature is 5 not in session, and requires specialized skill in interpretation 6 7 of Hawaii law, and rapidity of response on an emergency basis to 8 prevent impairment of important rights.

9 The purpose of this Act is to allow agencies to adopt 10 emergency rules for immediate adaptation of Hawaii law to meet 11 the requirements of federal law, or other overarching Hawaii 12 law, while preserving the values and goals of Hawaii law. This 13 Act is intended to be broad enough to allow agencies to react 14 rapidly to any changes in federal case law or statute that 15 affects any aspect of the agency's jurisdiction or statutes. 16 The legislature finds that the enactment of emergency rules may 17 stabilize the situation sufficiently for the agency or the

HB1932 CD1 HMS 2018-3858

Page 2

| | Page 2 | H.B. NO. ¹⁹³² |
|----|-----------------|--|
| | : | S.D. 2 C.D. 1 |
| | | |
| 1 | legislature to | pursue more enduring solutions with appropriate |
| 2 | deliberation. | |
| 3 | SECTION 2 | . Section 91-3, Hawaii Revised Statutes, is |
| 4 | amended to read | d as follows: |
| 5 | "§91-3 P: | rocedure for adoption, amendment, or repeal of |
| 6 | rules. (a) E | xcept as <u>otherwise</u> provided in [subsection (f),] |
| 7 | this section, | prior to the adoption of any rule authorized by |
| 8 | law, or the am | endment or repeal thereof, the adopting agency |
| 9 | shall: | |
| 10 | (1) Give | at least thirty days' notice for a public |
| 11 | hear | ing. The notice shall include: |
| 12 | (A) | A statement of the topic of the proposed rule |
| 13 | | adoption, amendment, or repeal or a general |
| 14 | · · · | description of the subjects involved; and |
| 15 | (B) | A statement that a copy of the proposed rule to |
| 16 | | be adopted, the proposed rule amendment, or the |
| 17 | | rule proposed to be repealed will be mailed to |
| 18 | | any interested person who requests a copy, pays |
| 19 | | the required fees for the copy and the postage, |
| 20 | | if any, together with a description of where and |
| 21 | | how the requests may be made; |

HB1932 CD1 HMS 2018-3858

Page 3

H.B. NO. ¹⁹³² H.D. 1 S.D. 2 C.D. 1

| 1 | | (C) A st | catement of when, where, and during what times |
|-----------|-----|-----------|--|
| 2 | · | the | proposed rule to be adopted, the proposed |
| 3 | | rule | e amendment, or the rule proposed to be |
| 4 | | repe | ealed may be reviewed in person; and |
| 5 | | (D) The | date, time, and place where the public |
| 6 | | hea: | ring will be held and where interested persons |
| 7 | | may | be heard on the proposed rule adoption, |
| 8 | | amei | ndment, or repeal. |
| 9 | | The | notice shall be mailed to all persons who |
| 10 | | have made | e a timely written request of the agency for |
| 11 | | advance 1 | notice of its rulemaking proceedings, given at |
| 12 | | least one | ce statewide for state agencies and in the |
| 13 | • | county fo | or county agencies. Proposed state agency |
| 14 | | rules sha | all also be posted on the Internet as provided |
| 15 | | in sectio | on 91-2.6; and |
| 16 | (2) | Afford a | ll interested persons opportunity to submit |
| 17 | | data, vi | ews, or arguments, orally or in writing. The |
| 18 | | agency s | nall fully consider all written and oral |
| 19 | | submissio | ons respecting the proposed rule. The agency |
| 20 | | may make | its decision at the public hearing or |
| 21 | | announce | then the date when it intends to make its |

HB1932 CD1 HMS 2018-3858

Page 4

H.B. NO. ¹⁹³² H.D. 1 S.D. 2 C.D. 1

decision. Upon adoption, amendment, or repeal of a
 rule, the agency, if requested to do so by an
 interested person, shall issue a concise statement of
 the principal reasons for and against its
 determination.

6 (b) Notwithstanding [the foregoing,] the requirements of 7 subsection (a), if an agency finds that an imminent peril to the 8 public health, safety, or morals, to livestock and poultry 9 health, or to natural resources requires adoption, amendment, or repeal of a rule upon less than thirty days' notice of hearing, 10 and states in writing its reasons for such finding, it may 11 12 proceed without prior notice or hearing or upon such abbreviated 13 notice and hearing, including posting the abbreviated notice and 14 hearing on the Internet as provided in section 91-2.6, as it 15 finds practicable to adopt an emergency rule to be effective for 16 a period of not longer than one hundred twenty days without 17 renewal.

(c) In addition to emergency rules adopted pursuant to
 subsection (b), an agency may, in a similar manner, adopt
 emergency rules where new federal legislation or federal and
 state court decisions disrupt prior practice under any statute

HB1932 CD1 HMS 2018-3858

Page 5

| H. | В. | NQ. | 1932 H.D. 1 S.D. 2 C.D. 1 |
|----|----|-----|------------------------------------|
| | | | U.D. I |

| 1 | administe | red by the agency and adoption of an emergency rule is |
|----|-----------|--|
| 2 | urgently | needed to: |
| 3 | (1) | Conform existing rules to new requirements; |
| 4 | (2) | Implement newly-established rights; |
| 5 | (3) | Clarify existing rules and prevent confusion among |
| 6 | | those covered by existing statutes; |
| 7 | (4) | Stabilize a regulated industry or endeavor; |
| 8 | (5) | Avoid disruption of governmental or industrial |
| 9 | | operations; |
| 10 | (6) | Facilitate orderly agency or legislative study of the |
| 11 | | consequences of the new federal legislation or a |
| 12 | | federal or state court decision; |
| 13 | (7) | Reinforce or preserve the unmodified goals of a |
| 14 | | statute administered by the agency; or |
| 15 | (8) | Temporarily resolve any practical problems created by |
| 16 | | the new federal legislation or federal and state court |
| 17 | | decisions; |
| 18 | provided | that an agency shall not adopt any emergency rule |
| 19 | pursuant | to this subsection without conducting a public hearing; |
| 20 | provided | further that an agency shall give no less than thirty |
| 21 | days' not | tice of the hearing; provided further that any emergency |

HB1932 CD1 HMS 2018-3858

H.B. NO. ¹⁹³² H.D. 1 S.D. 2

6

1 rule adopted pursuant to this subsection shall be effective 2 until no later than adjournment sine die of the next regular 3 legislative session following adoption of the emergency rule. 4 [(c)] (d) The adoption, amendment, or repeal of any rule by any state agency shall be subject to the approval of the 5 6 governor. The adoption, amendment, or repeal of any rule by any 7 county agency shall be subject to the approval of the mayor of 8 the county. This subsection shall not apply to the adoption, amendment, and repeal of the rules of the county boards of water 9 10 supply.

11 [(d)] (e) The requirements of subsection (a) may be waived 12 by the governor in the case of the State, or by the mayor in the 13 case of a county, whenever a state or county agency is required 14 by federal provisions to adopt rules as a condition to receiving 15 federal funds and the agency is allowed no discretion in 16 interpreting the federal provisions as to the rules required to 17 be adopted; provided that the agency shall make the adoption, 18 amendment, or repeal known to the public by:

19 (1) Giving public notice of the substance of the proposed
20 rule at least once statewide prior to the waiver of
21 the governor or the mayor; and

932 CD1 HMS 2018-3858

Page 6

Page 7

Posting the full text of the proposed rulemaking 1 (2)2 action on the Internet as provided in section 91-2.6. 3 $\left[\frac{1}{2}\right]$ (f) No adoption, amendment, or repeal of any rule 4 shall be invalidated solely because of: (1)The inadvertent failure to mail an advance notice of 5 6 rulemaking proceedings; The inadvertent failure to mail or the nonreceipt of 7 (2) requested copies of the proposed rule to be adopted, 8 9 the proposed rule amendment, or the rule proposed to 10 be repealed; or 11 The inadvertent failure on the part of a state agency (3) to post on the website of the office of the lieutenant 12 13 governor all proposed rulemaking actions of the agency 14 and the full text of the agency's proposed rules as provided in section 91-2.6. 15 Any challenge to the validity of the adoption, amendment, or 16 repeal of an administrative rule on the ground of noncompliance 17 with statutory procedural requirements shall be forever barred 18 unless the challenge is made in a proceeding or action, 19 including an action pursuant to section 91-7, that is begun 20

HB1932 CD1 HMS 2018-3858

7

1932 H.D. 1

CD1

H.B. NO.

1 within three years after the effective date of the adoption, 2 amendment, or repeal of the rule. 3 $\left[\frac{f}{f}\right]$ (g) Whenever an agency seeks only to repeal one or 4 more sections, chapters, or subchapters of the agency's rules because the rules are either null and void or unnecessary, and 5 6 not adopt, amend, or compile any other rules: 7 (1)The agency shall give thirty days' public notice at 8 least once statewide of the proposed date of repeal 9 and of: A list of the sections, chapters, or subchapters, 10 (A) 11 as applicable, being repealed; and 12 (B) A statement of when, where, and during what times 13 the sections, chapters, or subchapters proposed 14 to be repealed may be reviewed in person; 15 The agency shall post the full text of the proposed (2) 16 sections, chapters, or subchapters to be repealed on 17 the Internet as provided in section 91-2.6; and 18 (3) Any interested person may petition the agency 19 regarding the sections, chapters, or subchapters 20 proposed to be repealed, pursuant to section 91-6.

HB1932 CD1 HMS 2018-3858

Page 8

8

1932 H.D. 1

H.B. NO

Page 9

1 This subsection does not apply to the repeal of one or more subsections, paragraphs, subparagraphs, clauses, words, phrases, 2 or other material within a section that does not constitute the 3 entire section to be repealed." 4 SECTION 3. Section 91-4, Hawaii Revised Statutes, is 5 amended by amending subsection (b) to read as follows: 6 "(b) Each rule hereafter adopted, amended, or repealed 7 shall become effective ten days after filing with the lieutenant 8 governor in the case of the State, or with the respective county 9 clerks in the case of the counties; provided that: 10 11 If a later effective date is required by statute or (1)12 specified in the rule, the later date shall be the 13 effective date; provided further that no rule shall specify an effective date in excess of thirty days 14 after the filing of the rule as provided herein; [and] 15 16 (2) An emergency rule adopted pursuant to section 91-3(b) shall become effective upon filing with the lieutenant 17 18 governor in the case of the State, or with the 19 respective county clerks in the case of the counties, 20 for a period of not longer than one hundred twenty 21 days without renewal unless extended in compliance

H.B. NO. ¹⁹³² H.D. 1

HB1932 CD1 HMS 2018-3858

Page 10

H.B. NO. ¹⁹³² H.D. 1 S.D. 2 C.D. 1

| 1. | | with section 91-3(b) if the agency finds that |
|----|-------|--|
| 2 | | immediate adoption of the rule is necessary because of |
| 3 | | imminent peril to the public health, safety, or |
| 4 | • | morals, or to natural resources. The agency's finding |
| 5 | | and brief statement of the reasons therefor shall be |
| 6 | | incorporated in the rule as filed. The agency shall |
| 7 | | make an emergency rule adopted pursuant to section 91- |
| 8 | • | 3(b) known to persons who will be affected by it by |
| 9 | | publication at least once in a newspaper of general |
| 10 | | circulation in the State for state agencies and in the |
| 11 | | county for county agencies within five days from the |
| 12 | | date of filing of the rule [-]; and |
| 13 | (3) | An emergency rule adopted pursuant to section 91-3(c) |
| 14 | | shall become effective upon filing with the lieutenant |
| 15 | . • | governor in the case of the State, or with the |
| 16 | | respective county clerks in the case of the counties, |
| 17 | | and shall be effective until no later than adjournment |
| 18 | | sine die of the next regular legislative session |
| 19 | | following adoption of the emergency rule. The |
| 20 | | agency's finding and brief statement of the reasons |
| 21 | | therefor shall be incorporated in the rule as filed. |

HB1932 CD1 HMS 2018-3858

Page 11

| 1 | The agency shall make an emergency rule adopted |
|---|---|
| 2 | pursuant to section 91-3(c) known to persons who will |
| 3 | be affected by it by publication at least once in a |
| 4 | newspaper of general circulation in the State for |
| 5 | state agencies and in the county for county agencies |
| 6 | within five days from the date of filing of the rule.' |
| 7 | SECTION 4. Statutory material to be repealed is bracketed |
| 8 | and stricken. New statutory material is underscored. |
| 9 | SECTION 5. This Act shall take effect upon its approval. |

APPROVED this 27 day of

JUN , 2018

1932 H.D. 1 S.D. 2

C.D. 1

H.B. NO

GOVERNOR OF THE STATE OF HAWAII



HB No. 1932, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.

Scott K. Saiki Speaker House of Representatives

This L. Ilatt

Brian L. Takeshita Chief Clerk House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2018 Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the

Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.

President of the Senate

Clerk of the Senate