
A BILL FOR AN ACT

RELATING TO THE NURSE LICENSURE COMPACT.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 **"CHAPTER**

5 **NURSE LICENSURE COMPACT**

6 § **-1 Name.** This chapter may be cited as the Nurse
7 Licensure Compact.

8 § **-2 Terms and provisions of compact.** The legislature
9 of the State of Hawaii hereby authorizes the governor to enter
10 into a compact on behalf of the State of Hawaii with any other
11 state legally joining therein, in the form substantially as
12 follows:

13 **NURSE LICENSURE COMPACT**

14 **Article I. Findings and Declaration of Purpose**

15 a. The party states find that:

16 1. The health and safety of the public are affected by the
17 degree of compliance with and the effectiveness of

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- 1 enforcement activities related to state nurse licensure
- 2 laws;
- 3 2. Violations of nurse licensure and other laws regulating
- 4 the practice of nursing may result in injury or harm to
- 5 the public;
- 6 3. The expanded mobility of nurses and the use of advanced
- 7 communication technologies as part of our nation's
- 8 health care delivery system require greater coordination
- 9 and cooperation among states in the areas of nurse
- 10 licensure and regulation;
- 11 4. New practice modalities and technology make compliance
- 12 with individual state nurse licensure laws difficult and
- 13 complex;
- 14 5. The current system of duplicative licensure for nurses
- 15 practicing in multiple states is cumbersome and
- 16 redundant for both nurses and states; and
- 17 6. Uniformity of nurse licensure requirements throughout
- 18 the states promotes public safety and public health
- 19 benefits.
- 20 b. The general purposes of this Compact are to:
- 21 1. Facilitate the states' responsibility to protect the
- 22 public's health and safety;

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2. Ensure and encourage the cooperation of party states in the areas of nurse licensure and regulation;
3. Facilitate the exchange of information between party states in the areas of nurse regulation, investigation and adverse actions;
4. Promote compliance with the laws governing the practice of nursing in each jurisdiction;
5. Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses;
6. Decrease redundancies in the consideration and issuance of nurse licenses; and
7. Provide opportunities for interstate practice by nurses who meet uniform licensure requirements.

Article II. Definitions

As used in this Compact:

- a. "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's laws, which is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or

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1 multistate licensure privilege such as revocation, suspension,
2 probation, monitoring of the licensee, limitation on the
3 licensee's practice, or any other encumbrance on licensure
4 affecting a nurse's authorization to practice, including
5 issuance of a cease and desist action.

6 b. "Alternative program" means a non-disciplinary
7 monitoring program approved by a licensing board.

8 c. "Coordinated licensure information system" means an
9 integrated process for collecting, storing, and sharing
10 information on nurse licensure and enforcement activities
11 related to nurse licensure laws that is administered by a
12 nonprofit organization composed of and controlled by licensing
13 boards.

14 d. "Current significant investigative information" means:

15 1. Investigative information that a licensing board, after
16 a preliminary inquiry that includes notification and an
17 opportunity for the nurse to respond, if required by
18 state law, has reason to believe is not groundless and,
19 if proved true, would indicate more than a minor
20 infraction; or

21 2. Investigative information that indicates that the nurse
22 represents an immediate threat to public health and

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1 safety regardless of whether the nurse has been notified
2 and had an opportunity to respond.

3 e. "Encumbrance" means a revocation or suspension of, or
4 any limitation on, the full and unrestricted practice of nursing
5 imposed by a licensing board.

6 f. "Home state" means the party state which is the nurse's
7 primary state of residence.

8 g. "Licensing board" means a party state's regulatory body
9 responsible for issuing nurse licenses.

10 h. "Multistate license" means a license to practice as a
11 registered or a licensed practical/vocational nurse (LPN/VN)
12 issued by a home state licensing board that authorizes the
13 licensed nurse to practice in all party states under a
14 multistate licensure privilege.

15 i. "Multistate licensure privilege" means a legal
16 authorization associated with a multistate license permitting
17 the practice of nursing as either a registered nurse (RN) or
18 LPN/VN in a remote state.

19 j. "Nurse" means RN or LPN/VN, as those terms are defined
20 by each party state's practice laws.

21 k. "Party state" means any state that has adopted this
22 Compact.

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1 l. "Remote state" means a party state, other than the home
2 state.

3 m. "Single-state license" means a nurse license issued by
4 a party state that authorizes practice only within the issuing
5 state and does not include a multistate licensure privilege to
6 practice in any other party state.

7 n. "State" means a state, territory, or possession of the
8 United States and the District of Columbia.

9 o. "State practice laws" means a party state's laws,
10 rules, and regulations that govern the practice of nursing,
11 define the scope of nursing practice, and create the methods and
12 grounds for imposing discipline. "State practice laws" do not
13 include requirements necessary to obtain and retain a license,
14 except for qualifications or requirements of the home state.

Article III. General Provisions and Jurisdiction

15 a. A multistate license to practice registered or licensed
16 practical/vocational nursing issued by a home state to a
17 resident in that state will be recognized by each party state as
18 authorizing a nurse to practice as a registered nurse (RN) or as
19 a licensed practical/vocational nurse (LPN/VN), under a
20 multistate licensure privilege, in each party state.
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1 b. A state must implement procedures for considering the
2 criminal history records of applicants for initial multistate
3 license or licensure by endorsement. Such procedures shall
4 include the submission of fingerprints or other biometric-based
5 information by applicants for the purpose of obtaining an
6 applicant's criminal history record information from the Federal
7 Bureau of Investigation and the agency responsible for retaining
8 that state's criminal records.

9 c. Each party state shall require the following for an
10 applicant to obtain or retain a multistate license in the home
11 state:

12 1. Meets the home state's qualifications for licensure or
13 renewal of licensure, as well as all other applicable
14 state laws;

15 2. i. Has graduated or is eligible to graduate from a
16 licensing board-approved RN or LPN/VN prelicensure
17 education program; or

18 ii. Has graduated from a foreign RN or LPN/VN
19 prelicensure education program that has been
20 approved by the authorized accrediting body in the
21 applicable country and has been verified by an
22 independent credentials review agency to be

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comparable to a licensing board-approved
prelicensure education program;

3. Has, if a graduate of a foreign prelicensure education
program not taught in English or if English is not the
individual's native language, successfully passed an
English proficiency examination that includes the
components of reading, speaking, writing, and
listening;

4. Has successfully passed an NCLEX-RN® or NCLEX-PN®
Examination or recognized predecessor, as applicable;

5. Is eligible for or holds an active, unencumbered
license;

6. Has submitted, in connection with an application for
initial licensure or licensure by endorsement,
fingerprints, or other biometric data for the purpose of
obtaining criminal history record information from the
Federal Bureau of Investigation and the agency
responsible for retaining that state's criminal records;

7. Has not been convicted or found guilty, or has entered
into an agreed disposition, of a felony offense under
applicable state or federal criminal law;

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1 8. Has not been convicted or found guilty, or has entered
2 into an agreed disposition, of a misdemeanor offense
3 related to the practice of nursing as determined on a
4 case-by-case basis;

5 9. Is not currently enrolled in an alternative program;

6 10. Is subject to self-disclosure requirements regarding
7 current participation in an alternative program; and

8 11. Has a valid United States Social Security Number.

9 d. All party states shall be authorized, in accordance
10 with existing state due process law, to take adverse action
11 against a nurse's multistate licensure privilege such as
12 revocation, suspension, probation, or any other action that
13 affects a nurse's authorization to practice under a multistate
14 licensure privilege, including cease and desist actions. If a
15 party state takes such action, it shall promptly notify the
16 administrator of the coordinated licensure information system.
17 The administrator of the coordinated licensure information
18 system shall promptly notify the home state of any such actions
19 by remote states.

20 e. A nurse practicing in a party state must comply with
21 the state practice laws of the state in which the client is
22 located at the time service is provided. The practice of

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1 nursing is not limited to patient care, but shall include all
2 nursing practice as defined by the state practice laws of the
3 party state in which the client is located. The practice of
4 nursing in a party state under a multistate licensure privilege
5 will subject a nurse to the jurisdiction of the licensing board,
6 the courts and the laws of the party state in which the client
7 is located at the time service is provided.

8 f. Individuals not residing in a party state shall
9 continue to be able to apply for a party state's single-state
10 license as provided under the laws of each party state.
11 However, the single-state license granted to these individuals
12 will not be recognized as granting the privilege to practice
13 nursing in any other party state. Nothing in this Compact shall
14 affect the requirements established by a party state for the
15 issuance of a single-state license.

16 g. Any nurse holding a home state multistate license, on
17 the effective date of this Compact, may retain and renew the
18 multistate license issued by the nurse's then-current home
19 state; provided that:

- 20 1. A nurse who changes primary state of residence after
21 this Compact's effective date must meet all applicable

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Article III.c. requirements to obtain a multistate license from a new home state.

2. A nurse who fails to satisfy the multistate licensure requirements under Article III.c. due to a disqualifying event occurring after this Compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission") established pursuant to Article VII of the compact.

Article IV. Applications for Licensure in a Party State

a. Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant and whether the applicant is currently participating in an alternative program.

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1 b. A nurse may hold a multistate license, issued by the
2 home state, in only one party state at a time.

3 c. If a nurse changes primary state of residence by moving
4 between two party states, the nurse must apply for licensure in
5 the new home state, and the multistate license issued by the
6 prior home state will be deactivated in accordance with
7 applicable rules adopted by the Commission:

8 1. The nurse may apply for licensure in advance of a
9 change in primary state of residence.

10 2. A multistate license shall not be issued by the new
11 home state until the nurse provides satisfactory
12 evidence of a change in primary state of residence to
13 the new home state and satisfies all applicable
14 requirements to obtain a multistate license from the new
15 home state.

16 d. If a nurse changes primary state of residence by moving
17 from a party state to a nonparty state, the multistate license
18 issued by the prior home state will convert to a single-state
19 license, valid only in the former home state.

Article V. Additional Authorities Invested in Party State

Licensing Boards

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1 a. In addition to the other powers conferred by state law,
2 a licensing board shall have the authority to:

3 1. Take adverse action against a nurse's multistate
4 licensure privilege to practice within that party
5 state.

6 i. Only the home state shall have the power to take
7 adverse action against a nurse's license issued by
8 the home state.

9 ii. For purposes of taking adverse action, the home
10 state licensing board shall give the same priority
11 and effect to reported conduct received from a
12 remote state as it would if such conduct had
13 occurred within the home state. In so doing, the
14 home state shall apply its own state laws to
15 determine appropriate action.

16 2. Issue cease and desist orders or impose an encumbrance
17 on a nurse's authority to practice within that party
18 state.

19 3. Complete any pending investigations of a nurse who
20 changes primary state of residence during the course of
21 such investigations. The licensing board shall also
22 have the authority to take appropriate action(s) and

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1 shall promptly report the conclusions of such
2 investigations to the administrator of the coordinated
3 licensure information system. The administrator of the
4 coordinated licensure information system shall promptly
5 notify the new home state of any such actions.

6 4. Issue subpoenas for both hearings and investigations
7 that require the attendance and testimony of witnesses,
8 as well as the production of evidence. Subpoenas issued
9 by a licensing board in a party state for the attendance
10 and testimony of witnesses or the production of evidence
11 from another party state shall be enforced in the latter
12 state by any court of competent jurisdiction, according
13 to the practice and procedure of that court applicable
14 to subpoenas issued in proceedings pending before it.
15 The issuing authority shall pay any witness fees, travel
16 expenses, mileage, and other fees required by the
17 service statutes of the state in which the witnesses or
18 evidence are located.

19 5. Obtain and submit, for each nurse licensure applicant,
20 fingerprint or other biometric-based information to the
21 Federal Bureau of Investigation for criminal background
22 checks, receive the results of the Federal Bureau of

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1 Investigation record search on criminal background
2 checks and use the results in making licensure
3 decisions.

4 6. If otherwise permitted by state law, recover from the
5 affected nurse the costs of investigations and
6 disposition of cases resulting from any adverse action
7 taken against that nurse.

8 7. Take adverse action based on the factual findings of
9 the remote state, provided that the licensing board
10 follows its own procedures for taking such adverse
11 action.

12 b. If adverse action is taken by the home state against a
13 nurse's multistate license, the nurse's multistate licensure
14 privilege to practice in all other party states shall be
15 deactivated until all encumbrances have been removed from the
16 multistate license. All home state disciplinary orders that
17 impose adverse action against a nurse's multistate license shall
18 include a statement that the nurse's multistate licensure
19 privilege is deactivated in all party states during the pendency
20 of the order.

21 c. Nothing in this Compact shall override a party state's
22 decision that participation in an alternative program may be

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1 used in lieu of adverse action. The home state licensing board
2 shall deactivate the multistate licensure privilege under the
3 multistate license of any nurse for the duration of the nurse's
4 participation in an alternative program.

5 **Article VI. Coordinated Licensure Information System and**
6 **Exchange of Information**

7 a. All party states shall participate in a coordinated
8 licensure information system of all licensed registered nurses
9 (RN) and licensed practical/vocational nurses (LPN/VN). This
10 system will include information on the licensure and
11 disciplinary history of each nurse, as submitted by party
12 states, to assist in the coordination of nurse licensure and
13 enforcement efforts.

14 b. The Commission, in consultation with the administrator
15 of the coordinated licensure information system, shall formulate
16 necessary and proper procedures for the identification,
17 collection and exchange of information under this Compact.

18 c. All licensing boards shall promptly report to the
19 coordinated licensure information system any adverse action, any
20 current significant investigative information, denials of
21 applications (with the reasons for such denials) and nurse
22 participation in alternative programs known to the licensing

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1 board regardless of whether such participation is deemed
2 nonpublic or confidential under state law.

3 d. Current significant investigative information and
4 participation in nonpublic or confidential alternative programs
5 shall be transmitted through the coordinated licensure
6 information system only to party state licensing boards.

7 e. Notwithstanding any other provision of law, all party
8 state licensing boards contributing information to the
9 coordinated licensure information system may designate
10 information that may not be shared with nonparty states or
11 disclosed to other entities or individuals without the express
12 permission of the contributing state.

13 f. Any personally identifiable information obtained from
14 the coordinated licensure information system by a party state
15 licensing board shall not be shared with nonparty states or
16 disclosed to other entities or individuals except to the extent
17 permitted by the laws of the party state contributing the
18 information.

19 g. Any information contributed to the coordinated
20 licensure information system that is subsequently required to be
21 expunged by the laws of the party state contributing that

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1 information, shall also be expunged from the coordinated
2 licensure information system.

3 h. The Compact administrator of each party state shall
4 furnish a uniform data set to the Compact administrator of each
5 other party state, which shall include, at a minimum:

- 6 1. Identifying information;
- 7 2. Licensure data;
- 8 3. Information related to alternative program
9 participation; and
- 10 4. Other information that may facilitate the
11 administration of this Compact, as determined by
12 Commission rules.

13 i. The Compact administrator of a party state shall
14 provide all investigative documents and information requested by
15 another party state.

16 **Article VII. Establishment of the Interstate Commission of**
17 **Nurse Licensure Compact Administrators**

18 a. The party states hereby create and establish a joint
19 public entity known as the Interstate Commission of Nurse
20 Licensure Compact Administrators:

- 21 1. The Commission is an instrumentality of the party
22 states.

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2. Venue is proper, and judicial proceedings by or against the Commission shall be brought solely and exclusively, in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

3. Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

b. Membership, Voting and Meetings.

1. Each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this Compact for each party state. Any administrator may be removed or suspended from office as provided by the law of the state from which the administrator is appointed. Any vacancy occurring in the Commission shall be filled in accordance with the laws of the party state in which the vacancy exists.

2. Each administrator shall be entitled to one (1) vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to

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1 participate in the business and affairs of the
2 Commission. An administrator shall vote in person or by
3 such other means as provided in the bylaws. The bylaws
4 may provide for an administrator's participation in
5 meetings by telephone or other means of communication.

6 3. The Commission shall meet at least once during each
7 calendar year. Additional meetings shall be held as set
8 forth in the bylaws or rules of the Commission.

9 4. All meetings shall be open to the public, and public
10 notice of meetings shall be given in the same manner as
11 required under the rulemaking provisions under Article
12 VIII.

13 5. The Commission may convene in a closed, non-public
14 meeting if the Commission must discuss:

15 i. Noncompliance of a party state with its
16 obligations under this Compact;

17 ii. The employment, compensation, discipline or other
18 personnel matters practices or procedures related
19 to specific employees or other matters related to
20 the Commission's internal personnel practices and
21 procedures;

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- iii. Current, threatened or reasonably anticipated litigation;
- iv. Negotiation of contracts for the purchase or sale of goods, services or real estate;
- v. Accusing any person of a crime or formally censuring any person;
- vi. Disclosure of trade secrets or commercial or financial information that is privileged or confidential;
- vii. Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;
- viii. Disclosure of investigatory records compiled for law enforcement purposes;
- ix. Disclosure of information related to any reports prepared by or on behalf of the Commission for the purpose of investigation of compliance with this Compact; or
- x. Matters specifically exempted from disclosure by federal or state statute.

6. If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal

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1 counsel or designee shall certify that the meeting may
2 be closed and shall reference each relevant exempting
3 provision. The Commission shall keep minutes that
4 fully and clearly describe all matters discussed in a
5 meeting and shall provide a full and accurate summary
6 of actions taken, and the reasons therefor, including
7 a description of the views expressed. All documents
8 considered in connection with an action shall be
9 identified in such minutes. All minutes and documents
10 of a closed meeting shall remain under seal, subject
11 to release by a majority vote of the Commission or
12 order of a court of competent jurisdiction.

13 c. The Commission shall, by a majority vote of the
14 administrators, prescribe bylaws or rules to govern its conduct
15 as may be necessary or appropriate to carry out the purposes and
16 exercise the powers of this Compact, including but not limited
17 to:

18 1. Establishing the fiscal year of the Commission;

19 2. Providing reasonable standards and procedures:

20 i. For the establishment and meetings of other
21 committees; and

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1 ii. Governing any general or specific delegation of any
2 authority or function of the Commission;

3 3. Providing reasonable procedures for calling and
4 conducting meetings of the Commission, ensuring
5 reasonable advance notice of all meetings and providing
6 an opportunity for attendance of such meetings by
7 interested parties, with enumerated exceptions designed
8 to protect the public's interest, the privacy of
9 individuals, and proprietary information, including
10 trade secrets. The Commission may meet in closed
11 session only after a majority of the administrators vote
12 to close a meeting in whole or in part. As soon as
13 practicable, the Commission must make public a copy of
14 the vote to close the meeting revealing the vote of each
15 administrator, with no proxy votes allowed;

16 4. Establishing the titles, duties, authority, and
17 reasonable procedures for the election of the officers
18 of the Commission;

19 5. Providing reasonable standards and procedures for the
20 establishment of the personnel policies and programs of
21 the Commission. Notwithstanding any civil service or
22 other similar laws of any party state, the bylaws shall

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1 exclusively govern the personnel policies and programs
2 of the commission; and

3 6. Providing a mechanism for winding up the operations of
4 the Commission and the equitable disposition of any
5 surplus funds that may exist after the termination of
6 this Compact after the payment or reserving of all of
7 its debts and obligations.

8 d. The Commission shall publish its bylaws and rules, and
9 any amendments thereto, in a convenient form on the website of
10 the Commission.

11 e. The Commission shall maintain its financial records in
12 accordance with the bylaws.

13 f. The Commission shall meet and take such actions as are
14 consistent with the provisions of this Compact and the bylaws.

15 g. The Commission shall have the following powers:

- 16 1. To promulgate uniform rules to facilitate and
17 coordinate implementation and administration of this
18 Compact. The rules shall have the force and effect of
19 law and shall be binding in all party states;
20 2. To bring and prosecute legal proceedings or actions in
21 the name of the Commission provided that the standing

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1 of any licensing board to sue or be sued under
2 applicable law shall not be affected;

3 3. To purchase and maintain insurance and bonds;

4 4. To borrow, accept or contract for services of
5 personnel, including, but not limited to, employees of
6 a party state or nonprofit organizations;

7 5. To cooperate with other organizations that administer
8 state compacts related to the regulation of nursing,
9 including but not limited to sharing administrative or
10 staff expenses, office space or other resources;

11 6. To hire employees, elect, or appoint officers, fix
12 compensation, define duties, grant such individuals
13 appropriate authority to carry out the purposes of
14 this Compact, and to establish the Commission's
15 personnel policies and programs relating to conflicts
16 of interest, qualifications of personnel and other
17 related personnel matters;

18 7. To accept any and all appropriate donations, grants
19 and gifts of money, equipment, supplies, materials and
20 services, and to receive, utilize and dispose of the
21 same; provided that at all times the Commission shall

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1 avoid any appearance of impropriety or conflict of
2 interest;

3 8. To lease, purchase, accept appropriate gifts or
4 donations of, or otherwise to own, hold, improve or
5 use, any property, whether real, personal or mixed;
6 provided that at all times the Commission shall avoid
7 any appearance of impropriety;

8 9. To sell, convey, mortgage, pledge, lease, exchange,
9 abandon or otherwise dispose of any property, whether
10 real, personal or mixed;

11 10. To establish a budget and make expenditures;

12 11. To borrow money;

13 12. To appoint committees, including advisory committees
14 composed of administrators, state nursing regulators,
15 state legislators or their representatives, and
16 consumer representatives, and other such interested
17 persons;

18 13. To provide and receive information from, and to
19 cooperate with, law enforcement agencies;

20 14. To adopt and use an official seal; and

21 15. To perform such other functions as may be necessary or
22 appropriate to achieve the purposes of this Compact

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1 consistent with the state regulation of nurse
2 licensure and practice.

3 h. Financing of the Commission:

4 1. The Commission shall pay, or provide for the payment
5 of, the reasonable expenses of its establishment,
6 organization and ongoing activities.

7 2. The Commission may also levy on and collect an annual
8 assessment from each party state to cover the cost of
9 its operations, activities and staff in its annual
10 budget as approved each year. The aggregate annual
11 assessment amount, if any, shall be allocated based
12 upon a formula to be determined by the Commission,
13 which shall promulgate a rule that is binding upon all
14 party states.

15 3. The Commission shall not incur obligations of any kind
16 prior to securing the funds adequate to meet the same;
17 nor shall the Commission pledge the credit of any of
18 the party states, except by, and with the authority
19 of, such party state.

20 4. The Commission shall keep accurate accounts of all
21 receipts and disbursements. The receipts and
22 disbursements of the Commission shall be subject to

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1 the audit and accounting procedures established under
2 its bylaws. However, all receipts and disbursements
3 of funds handled by the Commission shall be audited
4 yearly by a certified or licensed public accountant,
5 and the report of the audit shall be included in and
6 become part of the annual report of the Commission.

7 i. Qualified Immunity, Defense and Indemnification:

8 1. The administrators, officers, executive director,
9 employees and representatives of the Commission shall
10 be immune from suit and liability, either personally
11 or in their official capacity, for any claim for
12 damage to or loss of property or personal injury or
13 other civil liability caused by or arising out of any
14 actual or alleged act, error or omission that
15 occurred, or that the person against whom the claim is
16 made had a reasonable basis for believing occurred,
17 within the scope of Commission employment, duties or
18 responsibilities; provided that nothing in this
19 paragraph shall be construed to protect any such
20 person from suit or liability for any damage, loss,
21 injury or liability caused by the intentional,
22 willful, or wanton misconduct of that person.

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1 2. The Commission shall defend any administrator,
2 officer, executive director, employee or
3 representative of the Commission in any civil action
4 seeking to impose liability arising out of any actual
5 or alleged act, error or omission that occurred within
6 the scope of Commission employment, duties or
7 responsibilities, or that the person against whom the
8 claim is made had a reasonable basis for believing
9 occurred within the scope of Commission employment,
10 duties or responsibilities; provided that nothing
11 herein shall be construed to prohibit that person from
12 retaining his or her own counsel; and provided further
13 that the actual or alleged act, error or omission did
14 not result from that person's intentional, willful or
15 wanton misconduct.

16 3. The Commission shall indemnify and hold harmless any
17 administrator, officer, executive director, employee,
18 or representative of the Commission for the amount of
19 any settlement or judgment obtained against that
20 person arising out of any actual or alleged act, error
21 or omission that occurred within the scope of
22 Commission employment, duties or responsibilities, or

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1 that such person had a reasonable basis for believing
2 occurred within the scope of Commission employment,
3 duties or responsibilities, provided that the actual
4 or alleged act, error or omission did not result from
5 the intentional, willful, or wanton misconduct of that
6 person.

7 **Article VIII. Rulemaking**

8 a. The Commission shall exercise its rulemaking powers
9 pursuant to the criteria set forth in this Article and the rules
10 adopted thereunder. Rules and amendments shall become binding
11 as of the date specified in each rule or amendment and shall
12 have the same force and effect as provisions of this Compact.

13 b. Rules or amendments to the rules shall be adopted at a
14 regular or special meeting of the Commission.

15 c. Prior to promulgation and adoption of a final rule or
16 rules by the commission, and at least sixty (60) days in advance
17 of the meeting at which the rule will be considered and voted
18 upon, the Commission shall file a notice of proposed rulemaking:

- 19 1. On the website of the Commission; and
20 2. On the website of each licensing board or the
21 publication in which each state would otherwise publish
22 proposed rules.

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d. The notice of proposed rulemaking shall include:

1. The proposed time, date and location of the meeting in which the rule will be considered and voted upon;

2. The text of the proposed rule, or amendment, and the reason for the proposed rule;

3. A request for comments on the proposed rule from any interested person; and

4. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

e. Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions and arguments, which shall be made available to the public.

f. The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

g. The Commission shall publish the place, time, and date of the scheduled public hearing.

1. Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded, and a copy will be made available upon request.

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1 2. Nothing in this section shall be construed as requiring
2 a separate hearing on each rule. Rules may be grouped
3 for the convenience of the Commission at hearings
4 required by this section.

5 h. If no one appears at the public hearing, the Commission
6 may proceed with promulgation of the proposed rule.

7 i. Following the scheduled hearing date, or by the close
8 of business on the scheduled hearing date if the hearing was not
9 held, the Commission shall consider all written and oral
10 comments received.

11 j. The Commission shall, by majority vote of all
12 administrators, take final action on the proposed rule and shall
13 determine the effective date of the rule, if any, based on the
14 rulemaking record and the full text of the rule.

15 k. Upon determination that an emergency exists, the
16 Commission may consider and adopt an emergency rule without
17 prior notice, opportunity for comment or hearing, provided that
18 the usual rulemaking procedures provided in this Compact and in
19 this section shall be retroactively applied to the rule as soon
20 as reasonably possible, in no event later than ninety (90) days
21 after the effective date of the rule. For the purposes of this

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1 provision, an emergency rule is one that must be adopted
2 immediately in order to:

- 3 1. Meet an imminent threat to public health, safety or
4 welfare;
- 5 2. Prevent a loss of Commission or party state funds; or
- 6 3. Meet a deadline for the promulgation of an
7 administrative rule that is required by federal law or
8 rule.

9 1. The Commission may direct revisions to a previously
10 adopted rule or amendment for purposes of correcting
11 typographical errors, errors in format, errors in consistency or
12 grammatical errors. Public notice of any revisions shall be
13 posted on the website of the Commission. The revision shall be
14 subject to challenge by any person for a period of thirty (30)
15 days after posting. The revision may be challenged only on
16 grounds that the revision results in a material change to a
17 rule. A challenge shall be made in writing, and delivered to
18 the Commission, prior to the end of the notice period. If no
19 challenge is made, the revision will take effect without further
20 action. If the revision is challenged, the revision may not
21 take effect without the approval of the Commission.

22 **Article IX. Oversight, Dispute Resolution and Enforcement**

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1 a. Oversight:

2 1. Each party state shall enforce this Compact and take
3 all actions necessary and appropriate to effectuate
4 this Compact's purposes and intent.

5 2. The Commission shall be entitled to receive service of
6 process in any proceeding that may affect the powers,
7 responsibilities or actions of the Commission, and
8 shall have standing to intervene in such a proceeding
9 for all purposes. Failure to provide service of
10 process in such proceeding to the Commission shall
11 render a judgment or order void as to the Commission,
12 this Compact or promulgated rules.

13 b. Default, Technical Assistance and Termination:

14 1. If the Commission determines that a party state has
15 defaulted in the performance of its obligations or
16 responsibilities under this Compact or the promulgated
17 rules, the Commission shall:

18 i. Provide written notice to the defaulting state
19 and other party states of the nature of the
20 default, the proposed means of curing the default
21 or any other action to be taken by the
22 Commission; and

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1 ii. Provide remedial training and specific technical
2 assistance regarding the default.

3 2. If a state in default fails to cure the default, the
4 defaulting state's membership in this Compact may be
5 terminated upon an affirmative vote of a majority of
6 the administrators, and all rights, privileges and
7 benefits conferred by this Compact may be terminated on
8 the effective date of termination. A cure of the
9 default does not relieve the offending state of
10 obligations or liabilities incurred during the period
11 of default.

12 3. Termination of membership in this Compact shall be
13 imposed only after all other means of securing
14 compliance have been exhausted. Notice of intent to
15 suspend or terminate shall be given by the Commission to
16 the governor of the defaulting state and to the
17 executive officer of the defaulting state's licensing
18 board and each of the party states.

19 4. A state whose membership in this Compact has been
20 terminated is responsible for all assessments,
21 obligations and liabilities incurred through the

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1 effective date of termination, including obligations
2 that extend beyond the effective date of termination.

3 5. The Commission shall not bear any costs related to a
4 state that is found to be in default or whose membership
5 in this Compact has been terminated unless agreed upon
6 in writing between the commission and the defaulting
7 state.

8 6. The defaulting state may appeal the action of the
9 Commission by petitioning the U.S. District Court for
10 the District of Columbia or the federal district in
11 which the Commission has its principal offices. The
12 prevailing party shall be awarded all costs of such
13 litigation, including reasonable attorneys' fees.

14 c. Dispute Resolution:

15 1. Upon request by a party state, the Commission shall
16 attempt to resolve disputes related to the Compact that
17 arise among party states and between party and nonparty
18 states.

19 2. The Commission shall promulgate a rule providing for
20 both mediation and binding dispute resolution for
21 disputes, as appropriate.

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3. In the event the Commission cannot resolve disputes among party states arising under this Compact:

i. The party states may submit the issues in dispute to an arbitration panel, which will be composed of individuals appointed by the Compact administrator in each of the affected party states and an individual mutually agreed upon by the Compact administrators of all the party states involved in the dispute.

ii. The decision of a majority of the arbitrators shall be final and binding.

d. Enforcement:

1. The Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this Compact.

2. By majority vote, the Commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the Commission has its principal offices against a party state that is in default to enforce compliance with the provisions of this Compact and its promulgated rules and bylaws. The relief sought may include both

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1 injunctive relief and damages. In the event judicial
2 enforcement is necessary, the prevailing party shall be
3 awarded all costs of such litigation, including
4 reasonable attorneys' fees.

5 3. The remedies herein shall not be the exclusive remedies
6 of the Commission. The Commission may pursue any other
7 remedies available under federal or state law.

8 **Article X. Effective Date, Withdrawal and Amendment**

9 a. This Compact shall become effective and binding on the
10 earlier of the date of legislative enactment of this Compact
11 into law by no less than twenty-six (26) states or December 31,
12 2018. All party states to this Compact that also were parties
13 to the prior Nurse Licensure Compact, superseded by this
14 Compact, ("Prior Compact") shall be deemed to have withdrawn
15 from said Prior Compact within six months after the effective
16 date of this Compact.

17 b. Each party state to this Compact shall continue to
18 recognize a nurse's multistate licensure privilege to practice
19 in that party state issued under the Prior Compact until such
20 party state has withdrawn from the Prior Compact.

21 c. Any party state may withdraw from this Compact by
22 enacting a statute repealing the same. A party state's

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1 withdrawal shall not take effect until six (6) months after
2 enactment of the repealing statute.

3 d. A party state's withdrawal or termination shall not
4 affect the continuing requirement of the withdrawing or
5 terminated state's licensing board to report adverse actions and
6 significant investigations occurring prior to the effective date
7 of such withdrawal or termination.

8 e. Nothing contained in this Compact shall be construed to
9 invalidate or prevent any nurse licensure agreement or other
10 cooperative arrangement between a party state and a nonparty
11 state that is made in accordance with the other provisions of
12 this Compact.

13 f. This Compact may be amended by the party states. No
14 amendment to this Compact shall become effective and binding
15 upon the party states unless and until it is enacted into the
16 laws of all party states.

17 g. Representatives of nonparty states to this Compact
18 shall be invited to participate in the activities of the
19 Commission, on a nonvoting basis, prior to the adoption of this
20 Compact by all states.

Article XI. Construction and Severability

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1 This Compact shall be liberally construed so as to
2 effectuate the purposes thereof. The provisions of this Compact
3 shall be severable, and if any phrase, clause, sentence, or
4 provision of this Compact is declared to be contrary to the
5 constitution of any party state or of the United States, or if
6 the applicability thereof to any government, agency, person or
7 circumstance is held invalid, the validity of the remainder of
8 this Compact and the applicability thereof to any government,
9 agency, person or circumstance shall not be affected thereby.
10 If this Compact shall be held to be contrary to the constitution
11 of any party state, this Compact shall remain in full force and
12 effect as to the remaining party states and in full force and
13 effect as to the party state affected as to all severable
14 matters.

15 § **-3 Hawaii provisions for implementation.** For
16 purposes of implementation of the Nurse Licensure Compact in the
17 State of Hawaii, the following provisions apply:

- 18 (1) Commission's status and placement. The Interstate
19 Commission of Nurse Licensure Compact Administrators
20 ("Commission") shall be recognized as a joint public
21 agency of the party states and not as a separate
22 agency of the State of Hawaii.

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(2) Financial obligations.

(A) No public funds shall be expended for the payment of annual assessments to the Commisison unless appropriated by the Hawaii State Legislature;

(B) The department of commerce and consumer affairs shall include in its annual budget request any anticipated assessments under the Nurse Licensure Compact; and

(C) Payment of assessments shall be contingent upon legislative appropriation and shall not be construed as a mandatory obligation of the State absent such appropriation.

(3) Indemnification.

(A) The State of Hawaii shall not be obligated to indemnify or hold harmless any employee, officer, or representative of the Commission for any settlement or judgement unless expressly authorized by law and appropriated by the legislature; and

(B) The Commission shall be responsible for funding any indemnification obligations arising under the

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1 Compact, applicable to its employees and
2 representatives.

3 (4) Arbitration.

4 (A) Participation by the State of Hawaii in any
5 binding arbitration under the Compact shall be
6 subject to the availability of appropriated funds
7 and shall not obligate the State to expend public
8 money absent legislative authorization; and

9 (B) Any arbitration decision involving the State of
10 Hawaii shall be subject to judicial review in a
11 court of competent jurisdiction under applicable
12 law to ensure compliance with constitutional
13 requirements."

14 SECTION 2. Chapter 457, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

17 **"§457- Demographic data surveys; reporting. (a)**
18 Beginning January 1, 2027, and annually thereafter, individuals
19 that hold a multistate nurse license issued by a state other
20 than Hawaii and are employed by any health care facility as
21 defined in section 323D-2 shall complete any demographic data

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1 surveys required by the department of health as a condition of
2 employment.

3 (b) All health care facilities shall report to the board
4 of nursing, within thirty days of employment, all nurses holding
5 a multistate license issued by a state other than Hawaii and an
6 attestation that the employees holding a multistate license
7 issued by a state other than Hawaii have completed the tasks
8 required under this section as a condition of employment."

9 SECTION 3. Section 457-7, Hawaii Revised Statutes, is
10 amended by amending subsection (c) to read as follows:

11 "(c) The applicant applying for a license to practice as a
12 registered nurse by examination shall pay application,
13 examination, and reexamination fees, if applicable, as
14 prescribed by the board. Each applicant who successfully passes
15 the examination shall pay a license fee. The applicant applying
16 for a license to practice as a registered nurse by endorsement
17 shall pay application and license fees. The board may charge
18 different fees for registered nurses who hold a multistate
19 license issued by the State of Hawaii."

20 SECTION 4. Section 457-8, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:

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1 "(c) The applicant applying for a license to practice as a
2 licensed practical nurse by examination shall pay application,
3 examination, and reexamination fees, if applicable, as
4 prescribed by the board. Each applicant who successfully passes
5 the examination shall pay a license fee. The applicant applying
6 for a license to practice as a licensed practical nurse by
7 endorsement shall pay application and license fees. The board
8 may charge different fees for licensed practical nurses who hold
9 a multistate license issued by the State of Hawaii."

10 SECTION 5. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$75,000 or so much
12 thereof as may be necessary for fiscal year 2026-2027 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2027-2028 for necessary upgrades to the internal database of the
15 department of commerce and consumer affairs' professional and
16 vocational licensing division. The sums appropriated shall be
17 expended by the department of commerce and consumer affairs for
18 the purposes of this Act.

19 SECTION 6. New statutory material is underscored.

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1 SECTION 7. This Act shall take effect upon its approval;
2 provided that section 1 of this Act shall take effect on January
3 1, 2027.

4

5

INTRODUCED BY: Nadine K. Matheson

6

BY REQUEST

JAN 26 2026

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Report Title:

State Board of Nursing; Nurse Licensure Compact; Registered Nurses; Licensed Practical Nurses; Fees

Description:

Allows the Governor to enter the State into the multistate Nurse Licensure Compact, which will allow a nurse who is licensed by a home state to practice under a multistate licensure privilege in each party state, effective 1/1/2027. Beginning 1/1/2027, allows the State Board of Nursing to charge different fees for registered nurses and licensed practical nurses who hold a multistate license issued by the State. Appropriates general revenues.

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

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JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO THE NURSE
LICENSURE COMPACT.

PURPOSE: To authorize the Governor to enter the State into the multistate Nurse Licensure Compact, which will allow a nurse who is licensed by a home state to practice under a multistate licensure privilege in each party state and to also allow the State Board of Nursing to charge different fees for registered nurses and licensed practical nurses who hold a multistate license issued by the State beginning on January 1, 2027.

MEANS: Add a new chapter, titled "Nurse Licensure Compact," to the Hawaii Revised Statutes (HRS), and amend sections 457-7(c) and 457-8(c), HRS.

JUSTIFICATION: Hawaii is facing a shortage of 1,000 registered nurses, which is roughly a 15 percent vacancy rate statewide. Unfortunately, Hawaii's nursing schools have not been able to train enough nurses to meet the increased demand, despite paying the second highest nursing salaries in the nation behind only California.

During both the COVID-19 and the recent wildfire emergency proclamations, Hawaii's health care organizations have been able to utilize waivers on state licenses to bring sufficient nurses to help serve residents with health care services.

Currently, 41 states and 2 U.S. territories, are part of the Nurse Licensure Compact (NLC), which allows registered nurses and licensed practical/vocational nurses to have one multistate license, with the privilege to practice in their home state and other NLC states without obtaining additional licenses. While Hawaii is currently not

entered into the compact, possible inclusion could help support our health care providers with a mechanism to ensure quality health care is available to our residents.

Impact on the public: At a critical time when our health care providers continue to be impacted by a shortage of vital health care workers, we need to continue our efforts to attract and retain these important positions. Hawaii entering into the NLC is one method to help address the ongoing shortfalls and to ensure that our State's residents have access to important and potentially life-saving health care.

Impact on the department and other agencies: The bill will impact the Board of Nursing and the Professional and Vocational Licensing Division within the Department regarding how they process licensing requests and collect fees if this bill becomes law.

GENERAL FUND:	\$75,000 for fiscal year 2026-2027 and \$75,000 for fiscal year 2027-2028.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	CCA 105.
OTHER AFFECTED AGENCIES:	Hawaii Health Systems Corporation, Department of Health, Board of Nursing, and Department of Budget and Finance.
EFFECTIVE DATE:	Upon approval, provided that section 1 shall take effect on January 1, 2027.