

A Bill for an Act Relating to a Business Permits Service Center.

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

SECTION 1. The legislature finds that the numerous regulatory requirements imposed by government on business and commercial activities in Hawaii can often be unduly burdensome and time-consuming, especially to small businesses. The legislature further finds that if this state intends to further stimulate the economy by encouraging growth in business and commercial activities, there is an urgent need to establish a means to assist persons engaging in or intending to engage in business or commercial activities in Hawaii in a coordinated and expeditious manner. The purpose of this Act is to establish a business permit service center which will provide interested persons with comprehensive information on permit requirements, assistance in coordinating the processing and review of permits, general information on other laws persons in business should be aware of (e.g., income tax, employer's taxes, and employment practices), and information on financial assistance programs available for businesses.

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

## **“CHAPTER BUSINESS PERMITS SERVICE CENTER**

§ -1 **Definitions.** For purposes of this chapter, unless the context clearly requires otherwise:

“Applicant” means any person acting on the person's own behalf or who is authorized to act on behalf of any other person for the purpose of securing required permits to engage in business or commercial activities in the State.

“Center” means the business permits service center established in section

-2.

“Department” means the department of business and economic development.

“Director” means the director of business and economic development.

“Permit” means any license, certificate, registration, or any other form of authorization required by a federal, state, or county department or agency to engage in any business or commercial activity, excluding vocational and professional occupational licenses, certificates, or registration and environmental permits.

“Person” means any individual, proprietorship, partnership, association, cooperative, corporation, nonprofit organization, and any other organization required to obtain one or more permits for the conduct of its business or commercial activities.

“State agency” means any department, board, bureau, commission, division, office, council, or agency of the State, or a public benefit corporation or public authority having at least one member appointed by the governor.

§ -2 **Business permits service center established; staff.** (a) There is established within the department a business permits service center which shall provide information and services to coordinate, simplify, and expedite permit application processing for persons engaged in or intending to engage in business or commercial activities in the State. The center shall also serve as an information clearinghouse which makes available to any person general information as to state

and federal laws and rules and county ordinances and financial assistance programs related to business or commercial activities.

(b) The center shall be headed by a supervisor who shall be appointed by the director without regard to chapters 76 and 77 and shall serve at the director's pleasure. The director, without regard to chapters 76 and 77, may employ such other personnel as are required to carry out the functions of the center under this chapter.

**§ -3 General functions; powers and duties.** (a) The center shall have the following functions, powers, and duties:

- (1) To accept permit applications and associated fees on behalf of participating agencies in accordance with agreements reached with these agencies;
- (2) Provide comprehensive information on permits required for business or commercial activities in the State;
- (3) Facilitate contacts between the applicant and state agencies with permit functions;
- (4) Research, compile, and maintain a file of state and federal laws and rules and county ordinances applicable to the various business or commercial activities for which permits are required, including but not limited to, laws relating to employer requirements in such areas as state taxes, workers' compensation, and unemployment insurance;
- (5) Research, compile, and maintain a file of various financial assistance programs available for business and commercial activities in the State;
- (6) Encourage and facilitate the cooperation and participation of federal and county government agencies on permit coordination;
- (7) Promote and publicize the center's services to the public, and provide information on its services for inclusion in any public informational material for permits provided by a state agency;
- (8) Make recommendations to state agencies for eliminating, consolidating, simplifying, expediting, or otherwise improving permit procedures affecting business or commercial activities; and
- (9) Adopt rules, procedures, instructions, and forms as are necessary to carry out the functions, powers, and duties of the center.

(b) The center shall provide a toll free telephone business information service within the State and direct telephone lines to those agencies that have a direct relationship to permit functions.

**§ -4 Cooperation from state agencies.** The director may request and shall be entitled to receive from any state agency, such assistance, services, facilities, and data the director deems necessary to carry out the duties of the center. Each state agency with permit issuance functions covered under this chapter, shall cooperate with the center by designating a staff person to coordinate the agency's efforts in providing information to the center on its permit process, and to the extent possible, by providing a prompt response to requests for expediting the permit application or for information. In addition, the director shall be entitled to obtain personnel on a loaned basis from those agencies that issue permits to businesses including, but not limited to, the department of commerce and consumer affairs, the department of taxation, and the department of labor and industrial relations. The director may assign such loaned personnel to the center.

**§ -5 Comprehensive permit information file.** Each state agency required to review, approve, or grant permits for business or commercial activities shall report to the center on a form prescribed by the center, each and every type of

review, approval, and permit administered by the state agency. Application forms, applicable agency rules, and the estimated time period necessary for permit application consideration based on experience and statutory or administrative rule requirements shall accompany each state agency report. Subsequent to the filing of the report, the state agency shall submit reports to the center on any new permit requirement or modifications to existing permit requirements together with applicable forms, rules, and other information required to be filed in the initial report. Upon receipt of those reports, the center shall establish and maintain a comprehensive information file which provides ready access to the most current information as provided by the state agencies.

§ -6 **Immunity from liability.** The opinions offered and the services rendered by the center under this chapter shall be considered facilitative in nature and the center shall not be liable for any consequences resulting from an applicant's failure to obtain a required permit, and any information provided by the center or any omission of information by the center shall not relieve any applicant from, or constitute a waiver of, the obligation to secure a required permit.

§ -7 **Compilation of statistical data; annual report.** The center shall obtain and keep, on an annual basis, appropriate statistical data regarding the number of permits issued by state agencies, the amount of time involved in the processing of permits, the cost of processing permits, the types of activities for which permits have been issued, a geographic distribution of the permits issued, and other pertinent data the director deems necessary for analysis for future planning purposes. The department shall submit an annual report to the governor and the legislature which shall include a description of the operations of the center, summaries and analyses of statistical data compiled, and recommendations for any administrative or statutory changes required to further the purposes of this chapter."

SECTION 3. Upon completion of its first year of operation, the department shall conduct a study of the feasibility of utilizing a master or multiple permit application form or other means of consolidation of the permit process including the process for obtaining environmental permits. The study shall include, but not be limited to, the consideration of:

- (1) The experience of the center during its first year as to the number and types of applicants requiring multiple permits;
- (2) The experience of other states that have instituted a master or multiple permit application form;
- (3) The cost and workforce requirements for developing and implementing a master or multiple permit application form;
- (4) The extent to which overlapping or duplicate functions exist in the permit process including environmental permits;
- (5) The cost-effectiveness of implementation in Hawaii; and
- (6) The legislature's intent that any consolidation of permit applications not mitigate the consumer protection aspects of any permit process.

The department is authorized to form a task force for the purposes of this study and authorized to include in that task force representatives from the various departments of the state, other participating agencies and persons from the private sector thought by the department to be most affected by this process.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much thereof as may be necessary for fiscal year 1988-1989, to carry out the purposes of this Act, including the hiring of

necessary staff. The sum appropriated shall be expended by the department of business and economic development.

SECTION 5. This Act shall take effect upon its approval; provided that section 4 shall take effect on July 1, 1988.

(Approved June 15, 1988.)