

ACT 38

S.B. NO. 1508

A Bill for an Act Relating to Prelicensing Inspections.

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

SECTION 1. Section 437-7, Hawaii Revised Statutes, is amended by amending subsections (g), (h), and (i) to read as follows:

“(g) Upon the filing of any application, a staff member shall endorse on it the date of filing. If no patent disqualification of the applicant is disclosed or no valid objection to the granting of the application is apparent and if all requirements relative to the filing of the application appear to have been complied with, the executive officer shall [refer the application to a staff member for investigation and report.] review a self-inspection report completed by the applicant and made a part of the application. The report shall include:

- (1) A statement [as to whether or not] that the applicant is [for any reason] not disqualified by this chapter from obtaining or exercising a license[;] and [whether or not the licensee] has complied with all the requirements of this chapter relative to the making and filing of the licensee’s application;
- (2) Information relating to any and all other matters and things which [in the judgment of the staff member] pertain to or affect the matter of the application or the issuance or the exercise of the license applied for;
- (3) In the case of an application for a dealer’s or auction’s license [in addition to the foregoing:] the applicant shall submit a report which shall include:
 - (A) A description of the premises intended to become the licensed premises, and the equipment and surrounding conditions; and
 - (B) If the applicant has held a prior dealer’s or auction’s license for the same or any other premises within two years past, a statement as to the manner in which the premises have been operated and the business conducted under the previous license; and
- (4) In the case of an application for a dealer’s license, if the applicant proposes to engage in the business of selling new motor vehicles, a copy of the dealer sales and service agreement from the applicable manufacturer, factory branch, factory representative, distributor, distributor branch, or distributor representative.

(h) After the filing of the [report,] application, the board may interview the applicant and upon the interview and other information that is before the board, it may grant or deny the license.

(i) No dealer’s or auction’s license shall be issued under this chapter unless and until the applicant submits:

- (1) A description of the premises intended to become the licensed premises, the office facilities, equipment, and surrounding conditions;

- (2) A statement that the applicant has met the requirements under section 437-11;
- (3) A copy of a minimum one-year lease or rental agreement for the site the applicant has entered into; and
- (4) Photographs of the premises and facilities;

and the board [has caused to be made a thorough inspection of the premises upon which the proposed business is to be conducted and] is satisfied that [it] the applicant has met all the requirements as provided in this chapter and that all other general conditions and proposed methods of operation under the license are such as are suitable for carrying on the business in a reputable manner.”

SECTION 2. Section 437-7, Hawaii Revised Statutes, is amended by amending subsection (l) to read as follows:

“(l) The executive officer may grant preliminary approval of a dealer or auction license application if all licensing requirements have been met [and the applicant’s inspection report is satisfactory]. The board shall ratify all preliminary approvals.”

SECTION 3. Section 437-11, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Requirements to be met before issuance of dealer’s and auction’s license.

- (1) The following requirements shall be met by an applicant for a dealer’s license before a license may be issued by the motor vehicle industry licensing board:
 - (A) The applicant has a site which will be used primarily for the purpose of selling, displaying, offering for sale, or otherwise dealing in motor vehicles;
 - (B) The site has a permanent building thereon suitable for the display at any one time of at least three motor vehicles having an average base of at least ninety inches; and
 - (C) The site has suitable sanitation facilities [thereon; and
 - (D) The applicant has entered into, and provided the board with a copy of, a lease or rental agreement for the site. The lease or rental agreement shall be for a minimum term of one year].
- (2) The following requirements shall be met by an applicant for an auction’s license before a license may be issued by the motor vehicle industry licensing board:
 - (A) The applicant has a permanent site which will be used primarily for the purpose of selling, displaying, offering for sale, or otherwise dealing in motor vehicles; and
 - (B) The site has suitable sanitation facilities [thereon; and
 - (C) The applicant has entered into, and provided the board with a copy of, a lease or rental agreement for the site. The lease or rental agreement shall be for a minimum term of one year].”

SECTION 4. Section 461-4.5, Hawaii Revised Statutes, is amended to read as follows:

“**§461-4.5 Powers and duties.** (a) In addition to any other powers and duties authorized by law, the board [shall]:

ACT 38

- (1) [Adopt,] Shall adopt, amend, and repeal rules pursuant to chapter 91, as it deems proper for the purposes of this chapter, Public Law 100-293, and 21 Code of Federal Regulations part 205;
- (2) [Examine,] Shall examine, license, reinstate, and renew the licenses of qualified applicants for registered pharmacists and wholesale prescription drug distributors, and issue and renew permits to operate pharmacies;
- (3) [Inspect, or may designate a duly authorized representative to inspect, any pharmacy or] May require the inspection of any wholesale prescription drug distributor premises in the State [where drugs are packed, packaged, compounded, sold, offered for sale, exposed for sale, stored, warehoused, or kept for sale or distribution] to ensure compliance with this chapter and rules adopted under this chapter[; and], or may require an applicant for a pharmacy license to submit a statement that the premises, including but not limited to security and sanitation, are in conformance with the board's requirements and that the applicant possesses the reference materials and technical clinical equipment and supplies as may be specified in rules adopted under this chapter; and
- (4) [Fine,] May fine, suspend, or revoke any license or permit for any cause prescribed by this chapter, or for any violation of the rules adopted under this chapter, and refuse to grant or renew any license or permit for any cause which would be ground for revocation or suspension of a license or permit.

(b) Nothing in this chapter shall modify or limit any powers of the board or the department of health of this State.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved April 22, 1997.)