

Honolulu, Hawaii

MAY 01 2012

RE: S.B. No. 2739
S.D. 2
H.D. 1
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2739, S.D. 2, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to authorize the Small Business Regulatory Review Board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business-statement, submitted after the hearing, indicates inconsistency with the agency's earlier determination or does not address the public's concerns.

Your Committee on Conference finds that this measure would address concerns raised by the Small Business Regulatory Review Board regarding the lack of cooperation the Board sometimes



encounters regarding an agency's response to the requirements of chapter 201M, Hawaii Revised Statutes. However, your Committee on Conference is also concerned that this measure could delay the adoption of rules that are critical to an agency's ability to perform its duties according to law.

Your Committee on Conference further finds that the size and lack of specific membership requirements for the Small Business Regulatory Review Board hampers the Board's ability to meet its statutory obligations.

Your Committee on Conference has amended this measure accordingly, by:

- (1) Deleting the authorization for the Small Business Regulatory Review Board to require another public hearing on a rule change;
- (2) Authorizing the Small Business Regulatory Review Board with good cause to request a written response from the agency explaining the rationale used to deny the public concerns within ten working days of receipt of the small business statement after public hearing, and requiring the agency to respond in writing to the board's concerns within ten working days;
- (3) Requiring an agency's written response to specifically address each issue and concern raised in the board's request for a written response, and affirmatively state that the agency has considered all written and oral testimony received at the agency's public hearing and had addressed all issues or concerns raised in the written and oral testimony;
- (4) Reducing the size of the board from eleven to nine members, with three members appointed from a list of nominees submitted by the President of the Senate, and three members appointed from a list of nominees submitted by the Speaker of the House of Representatives, from nominations solicited from small business organizations, state and county chambers of commerce, and other interested business organizations; and two members appointed by the Governor; with the Director of Business, Economic Development, and Tourism, or the Director's designated representative, to serve as an ex officio



voting member of the board; and requiring at least one representative from each county;

- (5) Requiring each agency to notify the board on an annual basis of any rules that should be amended or repealed based on any new, amended, or repealed statute;
- (6) Inserting an effective date of July 1, 2012; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2739, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2739, S.D. 2, H.D. 1, C.D. 1.

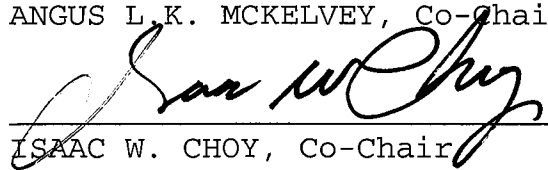
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



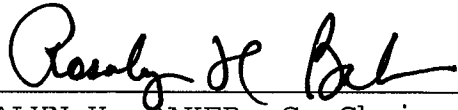
ANGUS L.K. MCKELVEY, Co-Chair



ISAAC W. CHOY, Co-Chair



CAROL FUKUNAGA, Chair



ROSALYN H. BAKER, Co-Chair



WILL ESPERO, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2739, SD 2, HD 1	Date/Time: 04-27-2012, 4:45 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
FUKUNAGA, Carol, Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				CHOY, Isaac W., Co-Chr.	✓			
ESPERO, Will, Co-Chr.				✓	YAMASHITA, Kyle T.	✓			
WAKAI, Glenn	✓				MARUMOTO, Barbara C.				✓
SLOM, Sam				✓					
TOTAL	3	0	0	2	TOTAL	3	0	0	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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