

STAND. COM. REP. NO.

645

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1042

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1042 entitled:

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

begs leave to report as follows:

The purpose of this measure is to increase the effectiveness and clarity of the Small Business Regulatory Review Board (Review Board) by:

- (1) Providing a more explicit definition of "small business";
- (2) Clarifying the powers of the Review Board when reviewing administrative rules that impact small business;
- (3) Increasing the membership of the Review Board to eleven from nine members; and
- (4) Clarifying when agencies are required to submit reports to the Review Board and when the Review Board is required to submit reports to the Legislature.

The Department of Business, Economic Development, and Tourism, Small Business Regulatory Review Board, The Chamber of

HB1042 HD1 HSCR EDB HMS 2017-2344



Commerce Hawaii, The Hawaii Business League, and Ocean Tourism Coalition supported this bill. The Department of Taxation submitted comments.

Your Committee has amended this measure by:

- (1) Requiring the Governor to appoint the two additional members from a list submitted by the Review Board;
- (2) Amending the effective date to July 1, 2038, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

The Department of Taxation expressed concern as to the applicability of this measure on its current rulemaking process. If the Committee on Finance decides to deliberate further on this measure, your Committee respectfully requests that the effective date of this measure be changed to January 1, 2018, to avoid unnecessarily complicating the current ongoing rulemaking actions of the various agencies.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1042, H.D. 1, and be referred to your Committee on Finance.

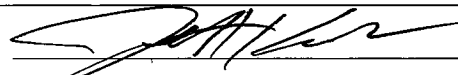
Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



MARK M. NAKASHIMA, Chair



Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 1042	Committee Referral: EDB, FIN	Date: 2/15/17		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. HOLT, Daniel	/			
4. JOHANSON, Aaron Ling				/
5. TAKUMI, Roy M.	/			
6. YAMASHITA, Kyle T.	/			
7. MATSUMOTO, Lauren Kealohilani	/			
TOTAL (7)	6			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				