



**HAWAII  
SMALL BUSINESS  
REGULATORY REVIEW  
BOARD  
ANNUAL REPORT SUMMARY**

**Review of Administrative Rules, Legislation  
and  
Rules Requested by Small Business**

**In Compliance with  
Chapter 201M  
Hawaii Revised Statutes**

**January 2010 - December 2010**

# HAWAII SMALL BUSINESS REGULATORY REVIEW BOARD

## ANNUAL REPORT SUMMARY 2010

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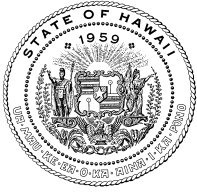
# **Section I**

## MESSAGE FROM INTERIM DIRECTOR



With only one month of service as the interim Director of the Department of Business, Economic Development and Tourism, it gives me great pleasure to thank the members for serving on this Board. The work of the Board's members is very important. Without these dedicated individuals and their continued efforts to evaluate the regulatory burden of small businesses, Hawaii's small business community would be adversely impacted.

Richard C. Lim



## MESSAGE FROM THE CHAIRPERSON

**Neil Abercrombie**  
Governor

**Richard C. Lim**  
*Interim Director, DBEDT*

### Members

Sharon L. Pang  
Chairperson  
*Oahu*

Charles Au  
Vice Chairperson  
*Oahu*

Richard Schnitzler  
2<sup>nd</sup> Vice Chairperson  
*Hawaii*

Dorvin Leis  
*Maui*

Bruce E. Bucky  
*Oahu*

Peter Yukimura  
*Kauai*

David S. De Luz, Jr.  
*Hawaii*



**Sharon L. Pang, Chairperson**  
**December 2010**

In June 2010, I became the Chair of the Small Business Regulatory Review Board. I entered with the knowledge that this Board makes a difference within Hawaii's small business community.

The year 2010, however, has continued to be one of great financial hardship for Hawaii's business community and for our State government. As businesses look to leadership from our State's administration and elected representatives, we are aware that the financial problems of the State are as great. A much deeper partnership between government and business will continue to be needed over the next several years to bring economic stability and growth to Hawaii.

In 2010, the Small Business Regulatory Review Board members continued to work closely with many state departments. I applaud all the members for their hard work and am honored to serve as a member and Chairperson of this Board.

## SMALL BUSINESS REGULATORY REVIEW BOARD

### **OVERVIEW**

Members of the Small Business Regulatory Review Board are pleased to provide the Annual Summary for the period of January 2010 through December 2010, pursuant to the Hawaii Small Business Regulatory Flexibility Act, Chapter 201M, Hawaii Revised Statutes.

### **[201M-5] Small business regulatory review board; powers**

(f) The board shall submit an annual report to the legislature twenty days prior to each regular session detailing any requests from small business owners for review of any rule adopted by a state agency, and any recommendations made by the board to any agency or the legislature regarding the need for a rule change or legislation. The report shall also contain a summary of the comments made by the board to agencies regarding its review of proposed new or amended rules.

## ANNUAL SUMMARY

### **SMALL BUSINESS REGULATORY FLEXIBILITY ACT**

The Small Business Regulatory Review Board was established on July 1, 1998, with the passage of the Small Business Regulatory Flexibility Act, pursuant to Act 168. Subsequently, the role of the Board has been codified in Chapter 201M, HRS, as amended. (Appendix 1)

### **SMALL BUSINESS REGULATORY REVIEW BOARD MEMBER COMPOSITION AND RESPONSIBILITY**

Statutorily, the Board is comprised of eleven current or former owners or officers of businesses from across the State. It is administratively attached to the Department of Business, Economic Development and Tourism (DBEDT) and has responsibility for providing recommendations to State agencies on new and amended administrative rules that directly impact small business. The Board is also charged with reviewing existing rules upon request from small business owners or at the Board's initiative. For requests regarding County rules, the Board may make recommendations to County Council or the Mayors for appropriate action.

In addition to reviewing rules and regulations, members volunteer their time attending State agency meetings, making presentations by performing outreach activities to small business organizations, and testifying on legislation. The Board also has the power to solicit testimony from the public regarding any reports submitted by State agencies.

As an effective and efficient means of review, each member is assigned to one or more State agency as a "discussion leader," and is responsible for the initial review of the administrative rules of that State agency prior to consideration by the full

Board. Since its inception, the Board has had several new members and re-appointees. As of December 2010, the Board was operating with seven members. (Appendix 2)

## **ADMINISTRATIVE RULE REVIEW**

Since its inception, the Board reviewed a total of 481 sets of proposed new and amended administrative rules. The results are categorized in Appendix 3. From January through December 2010, the Board reviewed and made recommendations on 56 new and amended rules, both pre- and post-public hearing. A summary of each rule is categorized below.

### **Office of the Lieutenant Governor**

No key matters of small business impact have been noted.

### **Department of Accounting & General Services**

#### **Proposed HAR “Apprenticeship Program”**

**Comment** – Upon reviewing a summary of the proposed new rules for apprenticeship programs, the Board recommended postponing a decision on the rules and requested that DAGS provide more information upon its return to the Board. Subsequently, the Board supported the rules and recommended that DAGS move the proposed amendments to public hearing.

#### **HAR Chapter 3-160, “Election Contributions and Expenditures,”**

#### **HAR Chapter 3-161, “Procedure before the Campaign Spending Commission”**

**Comment** – The Board recommended that both rules be supported.



**HAR Chapter 3-181.14, “State Energy Conservation Code”**

**Comment** – The Board recommended that a memo be sent to DAGS to commend their efforts to work together with small business to come up with a sensible solution to help Hawaii jalousie window manufacturers comply with existing rules.

**HAR Chapter 3-185, “State Residential Code”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed amendments to public hearing.

**Department of Agriculture**

No key matters of small business impact have been noted.

**Department of Attorney General**

**HAR Chapter 5-24, “Fees for Hawaii Criminal Justice Data Center”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed amendments to public hearing.

**Department of Budget & Finance/Public Utilities Commission**

**Budget & Finance** – No key matters of small business impact have been noted.

**Public Utilities Commission** – No key matters of small business impact have been noted.

**Department of Business, Economic Development & Tourism**

**HAR Chapter 15-32, “Hawaii Small Business Innovation Research Grant Program”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed amendments to public hearing.

**HAR Chapter 15-306, “General Excise Tax Exemptions, and**

**HAR Chapter 15-315, “Mortgage Credit Certificate Program”**

**Comment** – Board Chair reported that the proposed new rules and rule amendments had no perceivable small business impact and were not subject to Board discussion and review.

**HAR Chapter 15-307, “State Assisted Land and Housing**

**Development Program”**

**Comment** – Board Chair reported that the proposed new rules and rule amendments had no perceivable small business impact and were not subject to Board discussion and review.

**Department of Commerce & Consumer Affairs**

**HAR Chapter 16-53, “Fees Relating to Boards and**

**Commissions”**

**Comment** – The Board recommended a memo be sent to the Governor in support of the proposed amendments. Subsequently, after public hearing the Board recommended the rules proceed to the Governor for adoption.

**HAR Chapter 16-71, “Relating to Certified Public Accountants**

**and Public Accountants”**

**Comment** – The Board made no motion but recommended that a memo be sent to DCCA Director noting that the rule changes were needed and the amendments that address rules of reciprocity would bring Hawaii closer to the vast majority of other states.

**HAR Chapter 16-88, “Relating to Naturopaths”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed and new amendments to public hearing.

**HAR Chapter 16-89, “Nurses”**

**Comment** – The Board recommended that a memo be sent to the Governor in support of sending the proposed amendments to public hearing. Subsequently, after public hearing the Board recommended that the rules proceed to the Governor for adoption.

**HAR Chapter 16-92, “Relating to Optometrists”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed amendments to public hearing. In another meeting, the Chair updated members on additional proposed rule changes that were forwarded to the Board for consideration that had no small business impact.

**HAR Chapter 16-97, “Relating to Private Detectives and Guards”**

**Comment** – The Board recommended that a memo be sent to the Governor in support of sending the proposed amendments to public hearing.

**HAR Chapter 16-110, “Relating to Physical Therapy”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed amendments to public hearing. Subsequently, the Board reviewed the post public hearing statements.

**HAR Chapter 16-171, “Miscellaneous Insurance Rules”**

**Comment** – The Board recommended that the proposed rules after public hearing be forwarded to the Governor for adoption.

**HAR Chapter 16-185, “Annual Audited Financial Reporting”**

**Comment** – The Board recommended that the proposed rules, after public hearing, be forwarded to the Governor for adoption despite the rules having already been adopted.

**HAR Chapter 16-171, “Miscellaneous Insurance Rules”**

**Comment** – The Board recommended that the proposed rules, after public hearing, be forwarded to the Governor for adoption.

**Department of Defense**

No key matters of small business impact have been noted.

**Department of Education**

**HAR Chapter 8-38, “Consolidation of Public Schools”**

**Comment** – The Chair updated the board members on proposed rule changes that were forwarded to the Board for consideration that had no small business impact.

**HAR Chapter 8-62, “Merit Appeal Board”**

**Comment** – The Chair updated the board members on proposed rule changes that were forwarded to the Board for consideration that had no small business impact.

**HAR Chapter 8-63, “Civil Service Rules”**

**Comment** – The Chair reported that these rules had no perceivable small business impact and were not subject to Board discussion and review.

**Department of Hawaiian Home Lands**

No key matters of small business impact have been noted.

**Department of Health**

**HAR Chapter 11-20, “Rules Relating to Potable Water Systems”**

**Comment** – The Board recommended that a memo be sent to the Governor in support of sending the proposed amendments to public hearing.

**HAR Chapter 11-44, “Radiologic Technology Board – Radiologic Technology Rules”**

**Comment** – The Board recommended that the post public hearing statements be forwarded to the Governor for adoption.

**HAR Chapter 11-54, “Water Quality Standards”**

**Comment** – The Board recommended that the proposed rules, after public hearing, be forwarded to the Governor for adoption.

**HAR Chapter 11-175.2, 175.14, 175.25, 175.31, “Mental Health and Substance Abuse Systems”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed and new amendments to public hearing.

**HAR Chapter 11-177.1, “Certification Standards for Substance Abuse Counselors and Program Administrators”**

**Comment** – The Board recommended that DOH work with the Board to identify stakeholders that may not be aware of the proposed amendments. The motion also recommended that a memo to send to the Governor in support of sending the proposed amendments to public hearing.

**Department of Human Resources Development**

No key matters of small business impact have been noted.

**Department of Human Services**

**HAR Chapter 17-663, “Supplemental Nutrition Assistance Program”**

**Comment** – The Chair updated the board members on proposed rule changes that were forwarded to the Board for consideration that had no small business impact.

**HAR Chapter 17-800, “Eligibility Processing and Operations Division Pilot Project”**

**Comment** – The Chair updated the board members on proposed rule changes that were forwarded to the Board for consideration that had no small business impact.

**HAR Chapter 17-1709.2, “State Funded Hawaii Premium Plus”**

**Comment** – The Board supported the proposal to go to public hearing.

**HAR Chapter 17-1709.2, “State Funded Hawaii Premium Plus,**

**HAR Chapter 17-1709.3, “State with Federal Match Funded**

**Hawaii Premium Plus”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed new and amended rules to public hearing and to the Governor after public hearing for adoption. Subsequently, the Board reviewed additional changes to these two sections and recommended the changes proceed to public hearing.

**Department of Labor & Industrial Relations**

**HAR Chapter 12-10, “Worker’s Compensation,” HAR Chapter 12-14.36,**

**“Vocational Rehabilitation Rules,” HAR Chapter 12.15, “Workers’**

**Compensation Medical Fee Schedule”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed and new amendments to public hearing.

**HAR Chapter 12-60, 61, 63, “Prepaid Health Care Act”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed new and amended rules to public hearing.

**Department of Land & Natural Resources**

**HAR Chapter 13-5, “Conservation District”**

**Comment** – The Board recommended a memo be sent to the Governor in support of the proposed amendments to go to public hearing.

**HAR Chapter 13-74, “License and Permit Provisions and Fees for Fishing, Fish, and Fish Products, and HAR Chapter 13-94, “Bottomfish Management”**

**Comment** – The Board opposed DLNR’s request to move the proposed amendments to public hearing. This recommendation was based on DLNR not adequately addressing the concerns posed by the small business stakeholders and also did not clearly explain how the proposed changes would be consistently applied and enforced.

**HAR Chapter 13-146, “Hawaii State Park System”**

**Comment** – The Board recommended that a memo be sent to DLNR requesting that the taxi industry work together with DLNR to address the issue of parking fees at the Nuuanu Pali. The Board also recommended that the City & County of Honolulu be invited to a future meeting to discuss the City ordinance that prohibits taxi drivers from passing additional fees onto their customers.

**HAR Chapter 13-190, 190.1 “Dams & Reservoirs Safety”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed amendments to public hearing.

**HAR Chapter 13-231.26, “Use of a Vessel as a Principal Habitation”**

**Comment** – The Board rendered no opinion to these post public hearing rules as there was no perceivable small business impact.

**HAR Title 3, Subtitle II, Ocean Recreation and Coastal Areas, Part I, II, and III**

**Comment** – The Board opposed sending the proposed amendments to public hearing because there were many elements within the amendments that had a negative small business impact and that because the rules did not encourage small business growth.

**Department of Public Safety**

No key matters of small business impact have been noted.

**Department of Taxation**

**HAR Chapter 18-231, “Administration of Taxes”**

**Comment** – The Board recommended that these rules after public hearing be adopted.

**Department of Transportation**

**HAR Chapter 19-47, “Ignition Interlock Devices”**

**Comment** – The Board recommended that the Governor be sent a memo in support of sending the proposed and new amendments to public hearing.

**University of Hawaii**

No key matters of small business impact have been noted.

**Counties**

**City and County of Honolulu**

No key matters of small business impact have been noted.

**County of Hawaii**

No key matters of small business impact have been noted.



**County of Maui**

**Chapter 17-105, Maui County Code, “Rules relating to Plastic Bag Reduction”**

**Comment** – The Board recommended that a letter be sent to the Maui County Council and the Mayor of Maui recommending support of the adoption of the proposed rules even though the Board received the rules after public hearing. The Board also recommended that the County be reminded to submit proposed amendments and new rules to the Board before proceeding to public hearing.

**County of Kauai**

**“Part 4, Fixing Rates for the Furnishing of Water Service to the County of Kauai, Sections I, II, II, IV, V, VI, and X”**

**Comment:** The Board recommended that a memo be sent to the Mayor in support of the proposed amendments.

**“Kauai Department of Water”**

**Comment:** The Chair updated the board members on proposed rule changes that were forwarded to the Board for consideration that had no small business impact.

**BOARD LEGISLATIVE ACTIVITY**

Since its inception, the Board has supported legislation by submitting testimony on bills of interest to small business. The Board continues to monitor legislation with both positive and negative impacts on small business. See “Legislative Review” at the end of this report for specific legislation the Board followed during the 2010 session.

**SMALL BUSINESS IMPACT STATEMENT *and* GOVERNOR'S ADMINISTRATIVE DIRECTIVE NO. 09-01**

Under Section 201M-2, HRS, State agencies that want to adopt new or modified administrative rules that have an impact on small business must submit to the Board a small business impact statement showing the economic impact on those businesses. As a result, the Board reviews the small business impact statements and the Governor's Administrative Directive (AD), while working with the rule-drafting agencies on behalf of the small business community.

On October 29, 2009, AD 09-01 (Appendix 4) was issued to update the policy and procedures by which State departments and agencies request Governor's approval for a public hearing of any proposed adoption, amendment or repeal of administrative rules developed under Chapter 91, HRS.

**STRATEGIC PLAN**

The Board has met annually to re-establish what it stands for and to set clearly defined strategic goals for the upcoming year. While the Board decided during 2010 to hold off on scheduling a strategic planning meeting until the Governor appoints new board members, the following suggestions were made:

1. Chair Pang would meet with the Governor's State Boards and Commissions Office to discuss filling of vacant positions on the Board.
2. Board members would make contact with industry/business organizations to surface unresolved issues that impact small business.
3. Develop a "white paper" to distribute to all candidates running for public office.
4. Request Deputy Attorney General Margaret Ahn to schedule a session on "Sunshine Law" for the members.

## **REG ALERT**

In 2008, RegAlert, a small business regulatory alert system, was created in an effort to reduce the regulatory burden on Hawaii small businesses. It allows the Review Board to serve as the “voice of small business” on both new and proposed administrative rules directly to the rule-making State and County agencies. Through RegAlert, small business owners are able to keep apprised of proposed rule changes on selected rules and are given an opportunity to provide input to the agencies promulgating proposed and amended rules via the Review Board.

RegAlert is intended to assist small businesses by empowering Hawaii’s small business community to become more involved in the regulatory process and to provide business owners with the ability to comment on proposed State and County rules and regulations that affect them. It is also intended to assist this Board in responding to State and County agencies by acquiring valuable feedback from small businesses affected by the proposed rules.

The following organizations were signed up as RegAlert partners - Maui Chamber of Commerce, Chamber of Commerce of Hawaii, The National Federation of Independent Business, Smart Business Hawaii aka Small Business Hawaii, Kauai Chamber of Commerce, Hawaii Island Chamber of Commerce, Kauai Japanese Chamber of Commerce, The Legislative Center, Inc., Legislative Information Services of Hawaii, Organizations Management, LLC, Hawaii Island Economic Development Board, Inc., Honolulu Japanese Chamber of Commerce, and Realtors Association of Maui, Inc.

In fiscal 2010, there was no activity on RegAlert.

## PROJECTS AND ACTIVITIES

The following activities were performed throughout the year.

- **Election of Officers** – Members elected Sharon L. Pang as the Board’s Chairperson effective June 2010. Mr. Charles Au was nominated as Vice Chairperson and Mr. Richard Schnitzler was nominated as Second Vice Chairperson, both for the second year.

- **Member Nominations and Recruitment** – The Board continues to actively recruit new members pursuant to Section 201M-5, “nominations to fill vacancies shall be made from names submitted by the review board.” Further, “the appointments shall reflect representation of a variety of businesses in the State; provided that no more than two members shall be representatives from the same type of business, and that there shall be at least two representatives from each county.”

To date, the Board has four vacancies; one vacancy represents the Island of Kauai, one represents the Island of Maui and the remaining two vacancies represent any of the islands.

- **Communications Plan** - In keeping in-line with the Board’s communications plan created by Hastings & Pleadwell in 2007, the Board continues to strive to position itself as an experienced and responsible asset in the eyes of the Hawaii business world.

- **Website** - The Board continually updates its website. See - [www.hawaii.gov/dbedt/business/start\\_grow/small-business-info/sbrrb](http://www.hawaii.gov/dbedt/business/start_grow/small-business-info/sbrrb).

- **Press Releases and Articles** – No press releases or articles during 2010 were found that referenced the Board.

## ADMINISTRATIVE RULE REVIEW REQUESTED BY SMALL BUSINESS

In compliance with Section 201M-5 (f), HRS, the following outlines administrative rules and legislative issues requested by small business owners for the Board to review from the period of January 2010 to December 2010.

1. **HAR Chapter 19-44, “Rules Relating to Services and Procedures, Charges, Tolls and Fees”**

Ms. Dale Evans, President of Charlie’s Taxi, approached the Board to review HAR Chapter 19-44, “Rules Relating to Services and Procedures, Charges, Tolls and Fees.”

**Board Recommendation:** Ms. Evans notified the Board that the Department of Transportation was working with the taxi industry and subsequently withdrew her request for Board review.

**Status:** No action taken.

2. **Act 226, SLH 2007**

Ms. Myriam Tabaniag, former President of the Alliance of Residential Care Home Administrators, approached the Board to review Act 226, SLH 2007, regarding the lack of rules governing certified nurse aides who are employed in State-certified or state-licensed healthcare settings. Specifically, HAR Chapter 17-1737.41 and 17-1737.42, entitled “State-approved feeding assistant training program” were in question, and that State departments of Human Services, Commerce and Consumer Affairs and Health had worked together with stakeholders to develop written rules addressing the certification and re-certification of certified nurse aides.

**Board Recommendation:** The Board recommended that DHS, DCCA and industry representatives continue to work together to develop proposed amendments to HAR Chapter 17-1737. The Board also recommended that the same group of individuals inventory all of the organizations that use certified nurse aides and develop a flowchart to detail the certification and re-certification process. In addition, the Board recommended that all parties report back to the Board on the status of the working group's progress.

**Status:** As of this writing, the Board had not heard back from the industry or the agency on these issues.

# **Section II**

## LEGISLATIVE REVIEW

The Review Board monitored and/or provided testimony on the following legislative measures during the 2010 session.

1. **House Bill 2065, “Relating to the Small Business Regulatory Review Board”**

**Background:** The purpose of this measure was to transfer the small business regulatory review board from the department of business, economic development, and tourism to the department of commerce and consumer affairs.

**Board Recommendation:** The Board provided testimony in support of this measure.

**Status:** The measure was deferred.

2. **Senate Bill 2145, SD1, “Relating to the Small Business Regulatory Review Board”**

**Background:** The purpose of this measure is to transfer the administrative assignment of the small business regulatory review board from the department of business, economic development, and tourism to the department of commerce and consumer; authorizes the board to employ and set the salary of a small business advocate; and authorizes the expenses of the board to be funded entirely from the compliance resolution fund.

**Recommendation:** The Board supported this measure.

**Status:** The measure passed first reading.



3. **HB 2169 HD2 “Relating to Employment Security”**

**Background:** This bill sets, for calendar years 2010 and 2011, the wage base at 90% of the average annual wage, sets for calendar year 2010, the employer contribution rate at Schedule E and for calendar year 2011, the employer contribution rate at Schedule D and for calendar year 2011, the employer contribution rate at Schedule F. The bill also retains the maximum weekly benefit rate of 75% of the average weekly wage until December 31, 2012, returns the maximum weekly benefit rate to 70% of the average weekly wage on January 1, 2012, authorizes special assessments upon employers to pay the principal and interest costs on loans received from the U.S. Secretary of Labor provided that the Director of Labor and Industrial Relations develop a fair and equitable manner in which these payments are made. In addition, the bill establishes for recalculation of the adequate reserve fund beginning in 2011.

**Board Recommendation:** The Board agreed to request that the Governor use the “State Funded Hawaii Premium Plus” model to apply to the unemployment insurance program with tiered rates and similar savings to small businesses.

**Status:** The bill was passed and became law effective March 2010.

4. **HCR 296 “Urging the Governor to Properly Fund the Small Business Regulatory Review Board under the Department of Business, Economic Development, and Tourism to Support Hawaii’s Small Businesses”**

**Background:** The purpose of this measure was to strongly urge the Governor to reconsider her position on whether the Small Business Regulatory Review

Board is or is not a core function of the Department of Business, Economic Development, and Tourism, and to provide an adequate level of funding sufficient to allow the Board to operate, function, and address the needs of Hawaii's small businesses.

**Board Recommendation:** The Board unanimously agreed to support this measure.

**Status:** The measure was deferred.

5. **SCR 231 “Urging the Governor to Properly Fund the Small Business Regulatory Review Board under the Department of Business, Economic Development, and Tourism to Support Hawaii’s Small Business”**

**Background:** The purpose of this measure was to strongly urge the Governor to reconsider her position on whether the Small Business Regulatory Review Board is or is not a core function of the Department of Business, Economic Development, and Tourism and to provide adequate level of funding sufficient to allow the Board to operate, function and to address the needs of Hawaii’s small businesses.

**Board Recommendation:** The Board supported this measure.

**Status:** The measure was deferred.

6. **Gubernatorial Nominee 285 – Bruce E. Bucky**

**Background:** This measure nominated Bruce E. Bucky as a member to the Small Business Regulatory Review Board for a four-year term; to terminate June 30, 2014.

**Board Recommendation:** The Board supported Mr. Bucky's nomination.

**Status:** Mr. Bucky was subsequently ratified as a member of the Small Business Regulatory Review Board by the Senate in 2010.

7. **Gubernatorial Nominee 411 – Richard Schnitzler**

**Background:** This measure nominated Richard Schnitzler as a member to the Small Business Regulatory Review Board for a four-year term; to terminate June 30, 2014.

**Board Recommendation:** The Board supported Mr. Schnitzler's nomination.

**Status:** Mr. Schnitzler was ratified as a member of the Small Business Regulatory Review Board by the Senate in 2010.

## **Appendix**

1. Chapter 201M, Hawaii Revised Statutes
2. Board Member Listing
3. Administrative Rules Reviewed Matrix
4. Administrative Directive No. 09-01

## **1. Chapter 201M, Hawaii Revised Statutes**

## CHAPTER 201M

### SMALL BUSINESS REGULATORY FLEXIBILITY ACT

#### Section

- 201M-1 Definitions
- 201M-2 Determination of small business impact; small business impact statement
- 201M-3 Small business statement after public hearing
- 201M-4 Advisory committee on small business; consultation process for proposed rules
- 201M-5 Small business regulatory review board; powers
- 201M-6 Petition for regulatory review
- 201M-7 Periodic review; evaluation report
- 201M-8 Waiver or reduction of penalties
- 201M-9 Executive order

**§201M-1 Definitions.** As used in this chapter, unless the context clearly requires otherwise:

"Advisory committee" means an advisory committee on small business as established in section 201M-4.

"Affected small businesses" or "affects small business" means any potential or actual requirement imposed upon a small business through an agency's proposed or adopted rule that will cause a direct and significant economic burden upon a small business, or is directly related to the formation, operation, or expansion of a small business.

"Agency" means each state or county board, commission, department, or officer authorized by law to make rules, except those in the legislative or judicial branches.

"Board" means the small business regulatory review board.

"Rule" shall have the same meaning as in section 91-1.

"Small business" means a for-profit enterprise consisting of fewer than one hundred full-time or part-time employees. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §§2, 5; am L 2007, c 217, §2]

**§201M-2 Determination of small business impact; small business impact statement.** (a) Prior to submitting proposed rules for adoption, amendment, or repeal under section 91-3, the agency shall determine whether the proposed rules affect small business, and if so, the availability and practicability of less restrictive alternatives that could be implemented. This section shall not apply to emergency rulemaking.

- (b) If the proposed rules affect small business, the agency shall consider creative, innovative, or flexible methods of compliance for small businesses and prepare a small business impact statement to be submitted with the proposed rules to the departmental advisory committee on small business and the board when the rules are essentially complete and before the rules are submitted to the governor for approval for public hearing. The statement shall provide a reasonable determination of the following:
- (1) The businesses that will be directly affected by, bear the costs of, or directly benefit from the proposed rules;
  - (2) Description of the small businesses that will be required to comply with the proposed rules and how they may be adversely affected;
  - (3) In dollar amounts, the increase in the level of direct costs such as fees or fines, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs associated with compliance;
  - (4) The probable monetary costs and benefits to the implementing agency and other agencies directly affected, including the estimated total amount the agency expects to collect from any additionally imposed fees and the manner in which the moneys will be used;
  - (5) The methods the agency considered or used to reduce the impact on small business such as consolidation, simplification, differing compliance or reporting requirements, less stringent deadlines, modification of the fines schedule, performance rather than design standards, exemption, or any other mitigating techniques;
  - (6) How the agency involved small business in the development of the proposed rules; and

- (7) Whether the proposed rules include provisions that are more stringent than those mandated by any comparable or related federal, state, or county standards, with an explanation of the reason for imposing the more stringent standard.

(c) When a proposed rule includes provisions that are more stringent than those mandated by any comparable or related federal, state, or county standards, the agency shall, in addition to the information required by subsection (b), include in the small business impact statement information comparing the costs and benefits of the standard set by the proposed rule to the costs and benefits of the standard under the comparable or related federal, state or county law. The agency shall also include an explanation of its decision to impose the higher standard. The agency's comparison and justification shall include:

- (1) A description of the public purposes to be served by imposing the standard under the proposed rule;
- (2) The text of the related federal, state, or county law, including information about the purposes and applicability of the law;
- (3) A comparison between the proposed rule and the related federal, state, or county law, including a comparison of their purposes and of the standards and their application and administration;
- (4) A comparison of the monetary costs and benefits to the implementing agency and other agencies directly affected, of imposing the proposed standard, with the costs and benefits of imposing or deferring to the related federal, state or county standard, as well as a description of the manner in which any additional fees derived from imposition of the proposed standard are to be used; and
- (5) A comparison of the adverse effects on small businesses of the standard imposed by the proposed rule, with the adverse effects on small business of the related federal, state, or county standard.

- (d) This chapter shall not apply to proposed rules adopted by an agency to implement a statute or ordinance that does not require an agency to interpret or describe the requirements of the statute or ordinance, such as federally-mandated regulations that afford the agency no discretion to consider less restrictive alternatives. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §5; am L 2007, c 217, §3; am L 2008, c230, §3]



**[\$201M-3] Small business statement after public hearing.** For any proposed rules that affect small business, the agency shall also submit a small business statement to the small business regulatory review board and the departmental advisory committee on small business after the public hearing is held. This section shall not apply to emergency rules. The small business statement required by this section shall provide the following information:

- (1) A description of how opinions or comments from affected small business were solicited, a summary of the public and small business comments, and a summary of the agency's response to those comments;
- (2) The number of persons who:
  - (A) Attended the public hearing;
  - (B) Testified at the hearing; and
  - (C) Submitted written comments; and
- (3) If there was a request to change the proposed rule at the hearing in a way that affected small business, a statement of the reasons for adopting the proposed rule without the requested change. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §5]

**[\$201M-4] Advisory committee on small business; consultation process for proposed rules.** (a) There may be established within and administratively attached to every department of the State or county whose rules affect small business activities, an advisory committee on small business. The advisory committee shall consist of three or more odd number of members appointed by the department and may advise more than one department. The department shall have the authority to appoint members to the advisory committee and to fill any vacancies. The members shall serve on a volunteer basis and have experience or knowledge of the effect of regulation by those departments on the formation, operation, or expansion of a small business. No person shall serve on the small business regulatory review board and an advisory committee on small business concurrently. The advisory committees shall not be subject to the requirements of chapter 91.

(b) When the agency is proposing rules that affect small business, the agency may consult with the administratively attached departmental advisory committee on

small business regarding any matter related to the proposed rules prior to complying with the rulemaking requirements provided in chapter 91. Each agency shall develop its own internal management procedures for soliciting comments during the drafting of proposed rules from affected small businesses. The agency may develop creative procedures for the solicitation of comments from affected small businesses during the drafting or development of proposed rules.

(c) If necessary, any group or members of affected small businesses may also be consulted by the agency to formulate the relevant language, develop criteria, and provide any other expertise to ensure that the proposed rules will be drafted in a manner that will protect the public health, welfare, and safety without placing an undue and significant burden upon small business. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §5]

**§201M-5 Small business regulatory review board; powers.** (a) There shall be established within the department of business, economic development, and tourism, for administrative purposes, a small business regulatory review board to review any proposed new or amended rule or to consider any request from small business owners for review of any rule adopted by a state agency and to make recommendations to the agency or the legislature regarding the need for a rule change or legislation. For requests regarding county ordinances, the board may make recommendations to the county council or the mayor for appropriate action.

(b) The board shall consist of eleven members, who shall be appointed by the governor pursuant to section 26-34. Nominations to fill vacancies shall be made from names submitted by the review board. The appointments shall reflect representation of a variety of businesses in the State; provided that no more than two members shall be representatives from the same type of business, and that there shall be at least two representatives from each county.

(c) All members of the board shall be either a current or former owner or officer of a business and shall not be an officer or employee of the federal, state, or county government. A majority of the board shall elect the chairperson. The chairperson shall serve a term of not more than one year, unless removed earlier by a two-thirds vote of all members to which the board is entitled.

(d) A majority of all the members to which the board is entitled shall constitute a quorum to do business, and the concurrence of a majority of all the members to which the board is entitled shall be necessary to make any action of the board valid.

(e) In addition to any other powers provided by this chapter, the board may:

- (1) Adopt any rules necessary to implement this chapter;
- (2) Organize and hold conferences on problems affecting small business; and
- (3) Do any and all things necessary to effectuate the purposes of this chapter.

(f) The board shall submit an annual report to the legislature twenty days prior to each regular session detailing any requests from small business owners for review of any rule adopted by a state agency, and any recommendations made by the board to an agency or the legislature regarding the need for a rule change or legislation. The report shall also contain a summary of the comments made by the board to agencies regarding its review of proposed new or amended rules. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §§3, 5; am L 2007, c 217, §4]

**§201M-6 Petition for regulatory review.** (a) In addition to the basis for filing a petition provided in section 91-6, any affected small business may file a written petition with the agency that has adopted the rules objecting to all or part of any rule affecting small business on any of the following grounds:

- (1) The actual effect on small business was not reflected in, or significantly exceeded, the small business impact statement submitted prior to the adoption of the rules;
- (2) The small business impact statement did not consider new or significant economic information that reveals an undue impact on small business;
- (3) These impacts were not previously considered at the public hearing on the rules;
- (4) The rules create an undue barrier to the formation, operation, and expansion of small businesses in a manner that significantly outweighs its benefit to the public;
- (5) The rules duplicate, overlap, or conflict with rules adopted by another agency or violate the substantive authority under which the rules were adopted; or

(6) The technology, economic conditions, or other relevant factors justifying the purpose for the rules have changed or no longer exist.

(b) Upon submission of the petition, the agency shall forward a copy of the petition to the board, as notification of a petition filed under this chapter. The agency shall promptly consider the petition and may seek advice and counsel regarding the petition from the appropriate departmental advisory committee on small business. Within sixty days after the submission of the petition, the agency shall determine whether the impact statement or the public hearing addressed the actual and significant impact on small business. The agency shall submit a written response of the agency's determination to the small business review board within sixty days after receipt of the petition. If the agency determines that the petition merits the adoption, amendment, or repeal of a rule, it may initiate proceedings in accordance with section 91-3.

(c) If the agency determines that the petition does not merit the adoption, amendment, or repeal of any rule, any affected small business may seek a review of the decision by the board. The board shall promptly convene a meeting pursuant to chapter 92 for the purpose of soliciting testimony that will assist in its determination whether to recommend that the agency initiate proceedings in accordance with section 91-3. The board may base its recommendation on any of the following reasons:

- (1) The actual effect on small business was not reflected in, or significantly exceeded, the impact statement submitted prior to the adoption of the rules;
- (2) The impact statement did not consider new or significant economic information that reveals an undue impact on small business;
- (3) These impacts were not previously considered at the public hearing on the rules;
- (4) The rules create an undue barrier to the formation, operation, and expansion of small businesses in the State in a manner that significantly outweighs its benefit to the public;
- (5) The rules duplicate, overlap, or conflict with rules adopted by another agency or violate the substantive authority under which the rules were adopted; or
- (6) The technology, economic conditions, or other relevant factors justifying the purpose for the rules have changed or no longer exist.

(d) If the board recommends that an agency initiate rulemaking proceedings for any reason provided in subsection (c), it shall submit to the legislature an evaluation report and the agency's response as provided in subsection (b). The legislature may subsequently take any action in response to the evaluation report and the agency's response as it finds appropriate.

(e) If the board does not recommend that an agency initiate rulemaking proceedings, the board shall notify the small business of its decision and inform the small business that the small business may submit a complaint to the ombudsman pursuant to chapter 96 regarding the decision of the agency or board.

(f) Nothing in this section shall entitle an affected small business to a contested case hearing under chapter 91. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §5; am L 2007, c 217, §5]

**§201M-7 Periodic review; evaluation report.** (a) Each agency having rules that affect small business shall submit by June 30 of each odd-numbered year, a list of those rules to the small business regulatory review board. The agency shall also submit a report describing the specific public purpose or interest for adopting the respective rules and any other reasons to justify its continued implementation.

(b) The small business regulatory review board shall provide to the head of each agency a list of any rules adopted by the agency that affect small business and have generated complaints or concerns, including any rules that the board determines may duplicate, overlap, or conflict with other rules, or exceed statutory authority. Within forty-five days after being notified by the board of the list, the agency shall submit a written report to the board in response to the complaints or concerns. The agency shall also state whether the agency has considered the continued need for the rules and the degree to which technology, economic conditions, and other relevant factors may have diminished or eliminated the need for maintaining the rules.

(c) The board may solicit testimony from the public regarding any report submitted by the agency under this section at a public meeting held pursuant to chapter 92. Upon consideration of any report submitted by an agency under this section and any public testimony, the board shall submit an evaluation report to the next regular session of the legislature. The evaluation report shall include an assessment as to whether the public interest significantly outweighs a rule's effect on small business and any

legislative proposal to eliminate or reduce the effect on small business. The legislature may take any action in response to the report as it finds appropriate. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §5; am L 2007, c 217, §6]

**§201M-8 Waiver or reduction of penalties.** (a) Except where a penalty or fine is assessed pursuant to a program approved, authorized, or delegated under a federal law, any agency authorized to assess civil penalties or fines upon a small business shall waive or reduce any penalty or fine as allowed by federal or state law for a violation of any statute, ordinance, or rules by a small business under the following conditions:

- (1) The small business corrects the violation within a minimum of thirty days after receipt of a notice of violation or citation; and
- (2) The violation was unintentional or the result of excusable neglect; or
- (3) The violation was the result of an excusable misunderstanding of an agency's interpretation of a rule.

(b) Subsection (a) shall not apply:

- (1) When a small business fails to exercise good faith in complying with the statute or rules;
- (2) When a violation involves willful or criminal conduct;
- (3) When a violation results in serious health and safety impacts;
- (4) To violations of chapters 6E, 180, 180C, 181, 182, 183, 183C, 183D, 186, 187A, 188, 188F, 189, 190, 190D, 195, 195D, 195F, 205, 205A, 340A, 340E, 341, 342B, 342C, 342D, 342E, 342F, 342G, 342H, 342I, 342J, 342L, and 342P;
- (5) To violations of sections 200-9(b) and (c), 200-24(4), 200-37, and 200-38; or
- (6) To violations of administrative rules promulgated pursuant to section 200-4(6); except for rules pertaining to matters listed in section 200-4(6)(A), (B), (C), and (D).

(c) An agency may adopt rules to implement the requirements of this section. [L 1998, c 168, pt of §2, §5; am L 2002, c 202, §5; am L 2004, c 206, §1]

**[\$201M-9] Executive order.** The governor may execute any executive order, memorandum, or directive necessary to

implement any provision of this chapter. [L 1998, c 168, pt  
of §2, §5; am L 2002, c 202, §5]

## **2. Board Member Listing**



Island	Member	Company	Address	Discussion Leader	E-mail
Oahu	<b>Sharon L. Pang (Chair)</b>	Care Companions & Consulting	1400 Pensacola Street, Honolulu, HI 96822	Department of Health-Medical Division, Department of Human Services, Department of Commerce and Consumer Affairs (Back-up)	<a href="mailto:carecompanions@aol.com">carecompanions@aol.com</a>
Oahu	<b>Charles K.H. Au (Vice Chairperson)</b>	ECA, LLP	598 Halekauwila Street, Honolulu, HI 96813	Department of Taxation, Department of Hawaiian Home Lands, Department of Transportation (Back-up)	<a href="mailto:charles@eca-advisors.com">charles@eca-advisors.com</a>
Hawaii	<b>Richard Schnitzler (2<sup>nd</sup> Vice Chairperson)</b>	Hamakua Macadamia Nut Co.	P.O. Box 44715 Kawaihae, HI 96743	Department of Agriculture, Department of Business, Economic Development & Tourism, Department of Land & Natural Resources (Back-up)	<a href="mailto:Richard@hawwnut.com">Richard@hawwnut.com</a>
Maui	<b>Dorvin Leis</b>	Dorvin D. Leis, Co., Inc.	1100 Alakea Street, Ste 1400, Honolulu, HI 96813	Department of Accounting & General Services, Office of the Lieutenant Governor	<a href="mailto:jadel@lleisinc.com">jadel@lleisinc.com</a>
Oahu	<b>Bruce E. Bucky</b>	Hildgund Jewelry	1188 Bishop Street, Suite 2305 Honolulu, HI 96813	Department of Human Resources (Back-up), Department of Defense, Department of Transportation	<a href="mailto:info@hildgund.com">info@hildgund.com</a>
Kauai	<b>Peter Yukimura</b>	Koa Trading Co.	PO Box 1031 Lihue, HI 96766	Department of Education, Department of Labor & Industrial Relations (Back-up)	<a href="mailto:pmyuki@hawaiian.net">pmyuki@hawaiian.net</a>
Hawaii	<b>David S. De Luz, Jr.</b>	Big Island Toyota	811 Kaneolehua Avenue Hilo, HI 96720	Department of Labor and Industrial Relations, University of Hawaii, Department of Transportation (Back-up)	<a href="mailto:djr@teamdeluz.com">dj@teamdeluz.com</a>

### **3. Administrative Rules Reviewed**

	Month/Year	Support	Oppose	No Comment	Support w/Rec.	Sup. w/Res.	Support/Oppose	Pending
	<b>FY 2000 to FY 2007</b>	<b>249</b>	<b>8</b>	<b>7</b>	<b>16</b>	<b>12</b>	<b>3</b>	
<b>FY 2008</b>	Jul-07	-						
	Aug-07	5	1					
	Sep-07	2			1			
	Oct-07	9						
	Nov-07	0						
	Jan-08	8			1			
	Feb-08	2		1				
	Mar-08	3						
	Apr-08	4						
	May-08	3		3			1	
	Jun-08	0						
<b>FY 2009</b>	Jul-08	6						
	Aug-08	3		1				
	Sep-08	4						
	Oct-08	4						
	Nov-08	3		1				
	Jan-09	7		1			1	
	Feb-09	0						
	Mar-09	7			1			
	Apr-09	7						
	May-09	2		1				
	Jun-09	5			2			
<b>FY 2010</b>	Jul-09	5						
	Aug-09	0						
	Sept-09	12		2				
	Oct-09	0						
	Nov-09	7		1		1		
	Dec-09	0	1				1	
	Jan-10	0						
	Feb-10	3		2				
	Mar-10	2			1			
	Apr-10	5						
	May-10	0						
	Jun-10	3		4				
	<b>FY2011</b>	Jul-10	3		2			
Aug-10		3		1	1			
Sep-10		0						
Oct-10		12	2	5				
Nov-10		0						
Dec-10		4		3				
	<b>Totals</b>	<b>392</b>	<b>12</b>	<b>35</b>	<b>23</b>	<b>13</b>	<b>6</b>	<b>0</b>

## **4. Administrative Directive No. 09-01**



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

October 29, 2009

**ADMINISTRATIVE DIRECTIVE NO. 09-01**

**To: All Agency Heads**

**Subject: Policy and Procedure for the Adoption, Amendment, or Repeal of Administrative Rules**

This administrative directive updates the policy and procedure by which departments or agencies shall request executive approval of any proposed adoption, amendment, or repeal of administrative rules. It rescinds Administrative Directive No. 99-02, Policy and Procedure for the Adoption, Amendment, or Repeal of Administrative Rules, dated August 2, 1999.

**Legal Reference:**

Section 91-3(c), Hawaii Revised Statutes, provides that, "the adoption, amendment, or repeal of any rule by any state agency shall be subject to the approval of the governor."

Hawaii Revised Statutes Chapter 201M, the "Hawaii Small Business Regulatory Flexibility Act," requires that if a proposed rule "affects small business," the department or agency shall submit a "small business impact statement" and a "small business statement" to the Small Business Regulatory Review Board. Chapter 201M does not apply to emergency rulemaking or rules adopted to comply with a federal requirement.

**Policy:**

Whenever any department or agency requests executive approval for the proposed adoption, amendment, or repeal of a rule, the director of the department or agency shall ensure that the proposed changes conform to existing legal provisions, including Chapter 91, Hawaii Revised Statutes. In requesting the adoption, amendment, or repeal of any rule, the director will explain or submit the following:

1. Explain the exact changes to be made and the purpose, reasons for the changes, and justification for the change. If applicable, cite the present rule and quote the proposed rule change in full without paraphrasing.

2. Describe the manner in which the proposal would affect the agency's internal and external responsibilities, programs, functions, operations, activities, and inter-relationships.
3. Identify the final result expected by instituting the proposal (e.g. a program improvement/clarification of statute).
4. Identify any program and financial impacts on the State that will arise upon the implementation of the proposal to include:
  - a. Long- and short-range program impacts, and
  - b. Anticipated program funding required for the present biennium, including a statement as to whether funds are currently budgeted to permit the implementation and enforcement of the proposed adoption, amendment, or repeal of the rule, and estimates for anticipated savings or funding shortfalls projected over the subsequent four-year planning period, and the assumptions used to arrive at the estimates.
5. Describe long- and short-term impacts to the public or the economy of the State.
6. Identify the alternatives explored in lieu of implementing the proposal.
7. Provide an explanation of whether the proposal will affect small business. For purposes of this Directive, a proposal will affect small business if the proposal will impact a for-profit enterprise consisting of fewer than 100 full-time or part-time employees and will cause a direct and significant economic burden upon a small business, or is directly related to the formation, operation, or expansion of a small business.

If a proposal affects small business, the department or agency will describe:

- a. Whether it has considered the availability and practicability of less restrictive alternatives that could be implemented in lieu of adopting the proposal;
- b. Whether it has considered creative, innovative, or flexible methods of compliance for small business in lieu of adopting the proposed rule; and
- c. Whether it has prepared a "Small Business Impact Statement" that has been submitted to the Small Business Regulatory Review Board for consideration under HRS Chapter 201M.

Procedure:

1. Approval of the Governor is required prior to any rule change proceeding to a public hearing.

Prior to formal publication of notice of public hearing on the proposed adoption, amendment, or repeal of any rule, departments and agencies will:

- a. Obtain the Attorney General's approval "as to form" prior to submitting the rule to me for approval for public hearing; provided that as to rules proposed for adoption, amendment, or repeal that are submitted by the Board of Regents of the University of Hawaii, such rules shall be first reviewed and approved as to form by the University's Office of General Counsel prior to submission to the Attorney General. The Department of the Attorney General will complete its pre-hearing review on an expeditious basis;
  - b. Provide the Governor's office with a copy of the proposed rule, including the information requested in "Policy" items 1 through 7 above; and
  - c. At the time the rules are submitted to the Governor's Office, concurrently provide copies to the Director of Budget and Finance (B&F) and to the Director of Business, Economic Development and Tourism (DBEDT) for their prompt review. B&F and DBEDT comments will be forwarded directly to the Governor.
2. Notice of Public Hearings.

If any proposed rule affects small business, the notice of public hearing will summarize any business impact described in the "Small Business Impact Statement," and will state any new fee or compliance burdens that will be placed on small business.

3. Final Approval After Public Hearing.

Departments and agencies will obtain the Governor's final approval for the adoption, amendment, or repeal of any rule after the required public hearing has been held. In seeking final approval, the director of the department or agency concerned shall:

- a. Indicate whether any revision is being recommended to the proposed rule, amendment, or repeal based on facts and circumstances brought out in the public hearing;
- b. If a revision or change is recommended, provide a copy of the proposed rule with revisions and changes to the Attorney General for approval "as to form" prior to resubmitting the rule to the Governor for final approval; provided that as to rules proposed for adoption, amendment or repeal that are submitted by the Board of Regents of the University of Hawaii, such rules shall be first reviewed and approved as to form by the University's Office of General Counsel prior to submission to the Attorney General.

The Attorney General's office will approve the form within two weeks of receipt if the changes are not substantive. If the changes are determined to be substantial or material by the Attorney General, an additional public hearing will be held.

If a re-hearing of a proposed rule is sought, the procedures required for approval to proceed to public hearing will again be followed;

- c. Indicate whether the proposal affects small business, and, if so, whether a "Small Business Statement," which provides the information described in HRS Chapter 201M, has been submitted to the Small Business Regulatory Review Board; and
  - d. Submit three copies of the proposal in standard format and in accordance with Chapter 91, HRS, for the Governor's final approval. The original and a copy of the rules adopted by the department or agency will be signed by the director of the department, by the chairperson of a board or commission of a principal department, or by the chairperson of a board or commission if the rule has been adopted by a board or commission which is assigned to a department for administrative purposes. The third copy may use a facsimile of the required signatures.
4. Distribution of Approved Adopted Rules.
- a. A complete set consisting of three copies approved by the Governor will be filed at the Office of the Lieutenant Governor.
  - b. The Office of the Lieutenant Governor will provide one copy to the agency adopting, amending, or repealing the rule.
  - c. Each department or agency adopting, amending, or repealing the rule will provide one file-stamped and certified copy of the rule in the Ramseyer and standard formats to the Legislative Reference Bureau.

LINDA LINGLE

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Attorney General



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