

# May 17, 2017 ~ SBRRB Meeting Checklist

Member Attendance				
	Airline Preference	From	Details	Attend
Anthony Borge, Chair	NA	Oahu	Parking Pass	<i>yes</i> X
<i>(T)</i> Kyoko Kimura	HA	Maui	Parking Pass	<i>yes</i>
Harris Nakamoto, Vice Chair	NA	Oahu	NA	<i>yes</i> <del>NO</del>
Director's ex officio - Carl Nagasako <i>(Mark R. Not available)</i>	NA	Oahu	NA	<i>yes</i> X
Robert Cundiff	NA	Oahu	Parking Pass	
Nancy Atmospera-Walch	NA	Oahu	NA	
<i>(T)</i> Garth Yamanaka	HA	B.I.	Parking Pass	<i>yes</i>

Pre Meeting Checklist	
Conference Room #436 (Confirm each month) - <del>Meeting time is 1:00 PM.</del>	X
Poll Board Attendance - in process	✓
Draft Agenda to Chair for approval	✓
Prepare TAF's for Director's approval - ASAP (Linda) - Group TAF <i>Kyoko / Garth</i>	✓ ✓
Copies of Rule Package for Lte. Gov's Office (2) and Scan for Posting on State Calendar	✓ ✓
Send Chair Minutes for Approval	✓
Post approved agenda on 1) SBRRB website, 2) State Calendar, 3) Lte. Governor's Office	✓ ✓ ✓
Send Agendas to those people who requested it - IMPORTANT <i>Dne</i>	✓ ✓
Upload Meeting Documents onto Board's Website in Calendar	✓
Include "discussion leader" names on the agendas to Board members only.	✓
Prepare Agenda ONLY for "Chair" with Names of Attendees <i>Williamson</i>	✓
Mail parking permits to those Board members noted (Sent in Nov. 2016 six (6) permits)	✓

STAFF				
Dawn Apuna				Via I-pad
Dori Palcovich				✓

Post Meeting Checklist	

Visitors Sign-in-Sheet - Small Business Regulatory Review Board - May 17, 2017

	Name	Title	Organization	Email	Phone
1	GARRY L ANDERSON	-	Accounting Mgt & LLCs	hanyg@aactmgt.com	537-1212
2	Kalvin Morse	-	Self	Kalvin.Morse@Yahoo.com	712-1213
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Small Business Regulatory Review Board Meeting

Wednesday, May 17, 2017

10:00 a.m.

No. 1 Capitol District Building

250 South Hotel Street, Honolulu, HI

Conference Room 436



## SMALL BUSINESS REGULATORY REVIEW BOARD

Department of Business, Economic Development & Tourism (DBEDT)  
No. 1 Capitol District Bldg., 250 South Hotel St. 5<sup>th</sup> Fl., Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Email: [dbedt.sbrb@hawaii.gov](mailto:dbedt.sbrb@hawaii.gov)  
Website: [dbedt.hawaii.gov/sbrb](http://dbedt.hawaii.gov/sbrb)

Tel 808 586-2594

### AGENDA

Wednesday, May 17, 2017 ★ 10:00 a.m.

No. 1 Capitol District Building

250 South Hotel Street - Conference Room 436

David Y. Ige  
Governor

Luis P. Salaveria  
DBEDT Director

#### Members

Anthony Borge  
Chairperson  
Oahu

Harris Nakamoto  
Vice Chairperson  
Oahu

Kyoko Y. Kimura  
2<sup>nd</sup> Vice Chairperson  
Maui

Robert Cundiff  
Oahu

Nancy Atmospera-Walch  
Oahu

Garth Yamanaka  
Hawaii

Director, DBEDT  
Voting Ex Officio

#### I. Call to Order

#### II. Approval of April 19, 2017 Meeting Minutes

#### III. New Business

- A. Discussion and Action on Request to Oppose Proposed Increase in Permit Fees for Commercial Ocean Recreation Activities (CORA), by the County of Maui Budget & Finance Department – **Discussion Leader – Tony**

#### IV. Legislative Matters

- A. Update on House Bill 1382, HD1, SD1, CD1, **Relating to Procurement** – Assists small business in the state procurement process by establishing a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office, and appropriates funds
- B. Update on House Bill 587, HD1, SD1, **Relating to Small Business** - Appropriates funds to the Department of Business, Economic Development, and Tourism to provide additional resources to the Small Business Regulatory Review Board
- C. Update on Senate Bill 908, SD1, HD2, CD1, **Relating to the Small Business Regulatory Flexibility Act** – Adopts a more explicit definition of “small business,” clarifies the powers of the Small Business Regulatory Review Board, increases the number of board members from nine to eleven, clarifies when reporting by the agencies is required for submission to the board and for submission by the board to the Legislature

#### V. Administrative Matters

- A. Action and Voting on Board Chair, pursuant to Section 201M-5 (c), Hawaii Revised Statutes (HRS), and Election of Vice Chair and Second Vice Chair
- B. Update on the Board’s Upcoming Advocacy Activities and Programs in accordance with the Board’s Powers under Section 201M-5, HRS



**VI. Next Meeting:** Scheduled for Wednesday, June 28, 2017, at 10:00 a.m., Capitol District Building, Conference Room 436, Honolulu, Hawaii

**VII. Adjournment**

If you require special assistance or auxiliary aid and/or services to participate in the public hearing process (i.e., sign language, interpreter, wheelchair accessibility, or parking designated for the disabled), please call (808) 586-2594 at least three (3) business days prior to the meeting so arrangements can be made.

## II. Approval of April 19, 2017 Meeting Minutes

## Small Business Regulatory Review Board

### MINUTES OF REGULAR MEETING - Draft

April 19, 2017

Conference Room 436 - No. 1 Capitol District Building, Honolulu, Hawaii

- I. **CALL TO ORDER:** Chair Borge called the meeting to order at 1:00 p.m., with a quorum present.

**MEMBERS PRESENT:**

- Anthony Borge, Chair
- Kyoko Kimura, 2<sup>nd</sup> Vice Chair
- Robert Cundiff
- Garth Yamanaka
- Mark Ritchie

**ABSENT MEMBERS:**

- Harris Nakamoto, Vice Chair
- Nancy Atmospera-Walch

**STAFF:** DBEDT  
Dori Palcovich

Office of the Attorney General  
Dawn Apuna

II. **APPROVAL OF MARCH 15, 2017 MINUTES**

Mr. Cundiff made a motion to accept the March 15, 2017 minutes, as presented. Mr. Ritchie seconded the motion, and the Board members unanimously agreed.

III. **OLD BUSINESS**

- A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to Title 8, Subtitle 1, Liquor Commission, promulgated by the Department of Liquor Control, County of Maui, as follows:

1. Chapter 101, Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui; and
2. Chapter 102, Rules Governing Administrative Practices and Procedures of the Liquor Commission and Liquor Control Adjudication Board of the County of Maui

Second Vice Chair Kimura stated that she attended the public hearing; however, subsequently, the public voiced concerns regarding insufficient notice of the hearing, among other issues. While the notice concern pertains to the Office of Information Practice's governing statute, the complaints have come from the general public and not from small business.

Chair Borge explained that after the public hearing, the mayor signed the rules, but prior to submission to this Board. Mr. Richie reminded the members that the amendments included the delivery of liquor to private residences, and Second Vice Chair Kimura added that the age of the liquor recipients was required to be verified.

In reviewing the testimony submitted to this Board, Chair Borge noted that the concerns are outside of this Board's mandate. While the amendments clearly impact the general public, on a small business perspective, this Board needs to take into consideration the information presented on both the pre- and post-public hearing statements, which allows for the conducting of business to be made easier.

Mr. Cundiff made a motion to send a memo to the Maui Department of Liquor Control stating that this Board does not see an impact on small business based on the information received; however, the Board would not be opposed to the amendments going back public hearing for both the general public and the small business community to vet and voice concerns. Further, this Board requests that in the future, the Maui Department of Liquor Control submit a "small business statement after public hearing" pursuant to Section 201M-3, HRS, prior to the Mayor signing off on the proposed rules. Mr. Yamanaka seconded the motion, and the Board members unanimously agreed.

B. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to Title 4, Chapter 143, Standards for Coffee, promulgated by Department of Agriculture (DoAg)

Ms. Jeri Kahana, Administrator at DoAg's Quality Assurance Division, stated that public hearings were held on all the islands. In general, the hearings went well with only a few testifiers expressing opposition to the sunset date. The proposed sunset date's three-year extension in the rules is expected to provide the farmers an opportunity to control the coffee berry borer in order to minimize coffee bean damage and to provide DoAg and the industry additional time to develop more comprehensive changes to the rules. Ms. Kahana added that the rule standards refer to "green" coffee, not "roasted" coffee.

Chair Borge commended Ms. Kahana for involving the stakeholders (coffee farmers and processors) during the promulgation of the rule amendments. Ms. Kahana noted that the dynamics of the coffee industry has evolved over the years and that she does not expect to come back to this Board for another extension.

Mr. Ritchie made a motion to move the amended rules to the Governor for adoption. Mr. Cundiff seconded the motion, and the Board members unanimously agreed.

C. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to Title 11, Chapter 50, Food Safety Code, promulgated by Department of Health (DOH)

As no one from DOH was present at the meeting, Chair Borge stated that in reviewing the small business statement after public hearing, there were no noted changes or major concerns with the proposed amendments from small business. He added that several business-related groups were notified of the amendments and the public hearings, which



were conducted on all isles. He also noted that a very thorough analysis was prepared by DOH.

Second Vice Chair Kimura made a motion to move the amendments to the Governor for adoption. Mr. Ritchie seconded the motion, and the Board members unanimously agreed.

#### **IV. LEGISLATIVE MATTERS**

- A. Update on Governor's Message 535, Submitting for Consideration and Confirmation to the Small Business Regulatory Review Board, Gubernatorial Nominee, Robert Cundiff, for a term to expire 6-30-2020

Chair Borge and the members congratulated Mr. Cundiff for his recent confirmation by the Senate to this Board.

- B. Update on House Bill 1382 HD1, SD1, Relating to Procurement

This measure relates to the creation of the State Procurement Office's "Small Business Office;" it is now in conference committee.

- C. Update on House Bill 587 HD1, SD1, Relating to Small Business

This measure appropriates funds to the Board and is currently in conference committee; House Conferees are Messrs. Nakashima and Keohokalole as Co-chairs, and Member Ward. Senate Conferees are Chair Wakai and Co-chairs Galuteria and Taniguchi.

- D. Update on Senate Bill 908, SD1, HD2, Relating to the Small Business Regulatory Flexibility Act

This measure makes changes to the Board's statute, Chapter 201M, HRS; it is currently in conference committee. Senate Conferees are Chair Wakai, and Co-chairs Galuteria and Taniguchi. House Conferees are Co-Chairs Nakashima, Keohokalole and Member Ward.

- E. Update on Senate Bill 1059, SD1, HD1, Relating to Small Business

This is the companion to House Bill 1042 HD1; it did not pass through session.

#### **V. ADMINISTRATIVE MATTERS**

- A. Update on the Board's Upcoming Advocacy Activities and Programs in Accordance with the Board's Powers under Section 201M-5, HRS

1. Conference Call with Ms. Nancy Mistele, Director of Office of Business Development / Wisconsin Small Business Regulatory Review Board

Chair Borge welcomed Ms. Nancy Mistele, who works as the Director of Wisconsin's Office of Business. Ms. Mistele explained that she goes out to Wisconsin's business community to discuss, among other items, the Wisconsin

Small Business Regulatory Review Board (SBRRB). Her presentation entails several interesting slides as to who the Office of Business is, what its role is in government, how to engage with government officials, and how to resolve business issues.

The Wisconsin SBRRB was established in 2003 and currently consists of seven "small business" members from across the state, including a Wisconsin senator and a house representative who are also small business owners and who are the chair and vice chair of the board, respectively. The Office of Business is the 24/7 eyes and ears of the Wisconsin SBRRB, which meets on an ad hoc basis. The Wisconsin Economic Development Corporation, which is quasi-public/private, focuses on bringing in new business whereas the Office of Business focuses on existing rules and business issues.

She explained how the Wisconsin SBRRB is empowered to review existing rules and propose changes in order to reduce regulatory burden on business, encourage partnerships between small business and state agencies, advocate for realistic rules and regulations, require agencies to submit economic impact analyses of all proposed rules on small business, and enforce agency compliance with the state's Regulatory Flexibility Act.

Overall, it is the intent of the Wisconsin SBRRB to be participatory in rule-making and hearings with the goal to help small businesses with unintended consequences of rules and laws that may create problems for various industries in order to avoid creating burdens and barriers. She pointed out that it may be beneficial for the Hawaii SBRRB to encourage the small business community to assist in the development of an on-line public access tool to review and comment on rules in the process of being drafted as well as information for upcoming public hearings. She will send DBEDT staff various links, including a guide and information for small businesses to provide comments to proposed rules and amendments.

Ms. Mistele was thanked for her insightful information, comments and suggestions. It is hoped that the Hawaii and Wisconsin SBRRB connection can continue in order to enable small businesses to be successful.

Chair Borge noted that it can be a big problem for small businesses to not have access or input into the Legislature as much of the input from individual businesses is lost without the use of technology. When going onto the capitol.com website, a person can click on the committees they are interested in hearing from and can easily submit testimony. He suggested that this Board's future eNewsletters provide information as to how to go onto the State's website as a useful vehicle to have input to the lawmakers.

2. Small Business Conference at the Maui Arts and Cultural Center

Board members were reminded of the small business conference on May 3<sup>rd</sup> and 4<sup>th</sup> at the Maui Arts and Cultural Center where this Board will be an exhibitor. Mr. Ritchie stated that DBEDT is a conference sponsor and he will be manning a table on May 3<sup>rd</sup>. He is planning to bring a "DBEDT" banner and table cloth as well as brochures; it was suggested that a banner be made for the SBRRB for future small business events.

Mr. Ritchie reminded the members of the "Hawaii Small Business Fair" at Leeward Community College on Saturday, May 6<sup>th</sup> from 7:30 a.m. to 1:00 p.m., where he will distribute brochures for this Board.

3. Referral from House Speaker Souki

Chair Borge mentioned House Speaker Joe Souki referred a prospective new board member, Mr. David Hong, to the Governor. Mr. Hong is the president of Island Plastic Bags.

The Board is still waiting for a new board member from Kauai; Mr. Cundiff offered to reach out to business people in Kauai.

- VI. **NEXT MEETING** – The next meeting is scheduled for Wednesday, May 17, 2017, in Conference Room 436, 250 South Hotel Street, Honolulu, Hawaii at 10:00 a.m.
- VII. **ADJOURNMENT** – Second Vice Chair Kimura made a motion to adjourn the meeting and Mr. Yamanaka seconded the motion; the meeting adjourned at 3:11 p.m.

### **III. New Business**

A. Discussion and Action on Request to Oppose  
Proposed Increase in Permit Fees for Commercial  
Ocean Recreation Activities (CORA), by the County  
of Maui Budget & Finance Department



Permitted CORA	Last year	Last year	This year		TOTAL This Year	Percentage Change
	County fee	State fee	Propoosed County fee	This year State fee		
Aqua Sports	1100	0	2500	2400	4900	445%
Action Sports Maui	3600	0	12100	2400	14500	403%
b/b scuba	1100	0	2500	2400	4900	445%
beach club	3600	0	12100	2400	14500	403%
Big Kahuna Surf	2100	0	4900	2400	7300	348%
Club Maui Beach	2100	0	4900	2400	7300	348%
Extended Horizons	2100	0	4900	2400	7300	348%
Goofy Foot	1100	0	2500	2400	4900	445%
Hawaiian Style Surf	2100	0	4900	2400	7300	348%
HST	5600	0	21700	2400	24100	430%
Kelii's Kayak	3600	0	12100	2400	14500	403%
Kihei Scuba Service	3100	0	9700	2400	12100	390%
Kite School Maui	1100	0	2500	2400	4900	445%
Lahaina divers	1100	0	2500	2400	4900	445%
maui beach boys	2600	0	7300	2400	9700	373%
Maui Dive Shop	5100	0	19300	2400	21700	425%
Maui Dreams Diving	3600	0	12100	2400	14500	403%
Maui Eco Tours	2600	0	4900	2400	7300	281%
Maui Kayaks	2100	0	4900	2400	7300	348%
Maui Kiteboarding Lessons	1100	0	2500	2400	4900	445%
Maui Sports Unlimited	2600	0	7300	2400	9700	373%
Maui Surfer Girls	1100	0	2500	2400	4900	445%
Maui Undersea Adventures	1100	0	2500	2400	4900	445%
Maui Waveriders	2100	0	4900	2400	7300	348%
My Splash	2100	0	4900	2400	7300	348%
Opelus Surf	1100	0	2500	2400	4900	445%
Outrageous Surf	1100	0	2500	2400	4900	445%
Reef Encounters	2600	0	7300	2400	9700	373%
Royal Hawaiian Surf	1100	0	2500	2400	4900	445%
Scuba Shack	1100	0	2500	2400	4900	445%
South Pacific Kayaks	6600	0	26500	2400	28900	438%
Surf Shack	6600	0	26500	2400	28900	438%
Ultra Dive	3100	0	9700	2400	12100	390%
Wailea Watersports	2600	0	7300	2400	9700	373%
Windsurf School Maui	1100	0	2500	2400	4900	445%
<b>\$86,500</b>	<b>\$0</b>	<b>\$262,700</b>	<b>\$84,000</b>	<b>\$346,700</b>	<b>401%</b>	



### **III. New Business**

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#### **IV. Legislative Matters**

- C. Update on Senate Bill 908, HD1, SD1, Relating to Small Business Regulatory Flexibility Act

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## A BILL FOR AN ACT

RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

- 1           SECTION 1. The purpose of this Act is to increase the  
2 clarity and effectiveness of the Small Business Regulatory  
3 Flexibility Act by:
- 4           (1) Adopting a more explicit definition of "small  
5           business";
- 6           (2) Clarifying the powers of the small business regulatory  
7           review board when reviewing administrative rules that  
8           impact small business;
- 9           (3) Increasing the number of board members from nine to  
10           eleven; and
- 11           (4) Clarifying when agencies are required to report to the ,  
12           small business regulatory review board and when the  
13           board is required to report to the legislature.
- 14           SECTION 2. Section 201M-1, Hawaii Revised Statutes, is  
15 amended by amending the definition of "small business" to read  
16 as follows:



1        "Small business" means a for-profit [~~enterprise consisting~~  
2 ~~of~~] corporation, limited liability company, partnership, limited  
3 partnership, sole proprietorship, or other legal entity that:

- 4        (1) Is domiciled and authorized to do business in Hawaii;
- 5        (2) Is independently owned and operated; and
- 6        (3) Employs fewer than one hundred full-time or part-time  
7        employees[-] in Hawaii."

8        SECTION 3. Section 201M-5, Hawaii Revised Statutes, is  
9 amended by amending subsections (a) and (b) to read as follows:

10        "(a) There shall be established within the department of  
11 business, economic development, and tourism, for administrative  
12 purposes, a small business regulatory review board to review any  
13 proposed new or amended rule [~~or to~~]. If the board determines  
14 that a proposed rule will not have a significant economic impact  
15 on a substantial number of small businesses, the board shall  
16 submit a statement to that effect to the agency that sets forth  
17 the reason for the board's decision. If the board determines  
18 that the proposed rule will have a significant economic impact  
19 on a substantial number of small businesses, the board may  
20 submit to the agency suggested changes in the proposed rule to  
21 minimize the economic impact of the proposed rule, or may





1 recommend the withdrawal of the proposed rule. The board may  
2 also consider any request from small business owners for review  
3 of any rule adopted by a state agency and to make  
4 recommendations to the agency or the legislature regarding the  
5 need for a rule change or legislation. For requests regarding  
6 county ordinances, the board may make recommendations to the  
7 county council or the mayor for appropriate action.

8 (b) The board shall consist of [~~nine~~] eleven members, who  
9 shall be appointed by the governor pursuant to section 26-34,  
10 provided that:

11 (1) Three members shall be appointed from a list of  
12 nominees submitted to the president of the senate;

13 (2) Three members shall be appointed from a list of  
14 nominees submitted by the speaker of the house of  
15 representatives;

16 (3) Two members shall be appointed from a list of nominees  
17 submitted by the board;

18 [~~3~~] (4) Two members shall be appointed by the governor;

19 [~~4~~] (5) The director of business, economic development,  
20 and tourism, or the director's designated



1 representative, shall serve as an ex officio~~[+]~~, ~~[+]~~  
2 voting member of the board;

3 ~~[-5-]~~ (6) The appointments shall reflect representation of  
4 a variety of businesses in the State;

5 ~~[-6-]~~ (7) No more than two members shall be representatives  
6 from the same type of business; and

7 ~~[-7-]~~ (8) There shall be at least one representative from  
8 each county.

9 For the purposes of paragraphs (1) and (2), nominations shall be  
10 solicited from small business organizations, state and county  
11 chambers of commerce, and other interested business  
12 organizations."

13 SECTION 4. Section 201M-7, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "§201M-7 Periodic review; evaluation report. (a) Each  
16 agency having rules that affect small business shall submit to  
17 the board by June 30 of each odd-numbered year, a list of those  
18 rules ~~[to the small business regulatory review board]~~ and a  
19 report describing the specific public purpose or interest for  
20 adopting the respective rules that affect small business and any  
21 other reasons to justify continued implementation of the rules;



1 provided that, by June 30 of each year, each agency shall submit  
2 to the [~~small business regulatory review~~] board a list of any  
3 rules to be amended or repealed, based upon any new, amended, or  
4 repealed statute [~~The agency shall also submit a report~~  
5 ~~describing the specific public purpose or interest for adopting~~  
6 ~~the respective rules that affect small business and any other~~  
7 ~~reasons to justify their continued implementation.~~] that impacts  
8 small business.

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



1 (c) The board may solicit testimony from the public  
2 regarding any report submitted by the agency under this section  
3 at a public meeting held pursuant to chapter 92. Upon  
4 consideration of any report submitted by an agency under this  
5 section and any public testimony, the board shall submit an  
6 evaluation report to the [~~next regular session of the~~  
7 legislature[-] each even-numbered year. The evaluation report  
8 shall include an assessment as to whether the public interest  
9 significantly outweighs a rule's effect on small business and  
10 any legislative proposal to eliminate or reduce the effect on  
11 small business. The legislature may take any action in response  
12 to the report as it finds appropriate."

13 SECTION 5. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2017.





S.B. NO. 908  
S.D. 1  
H.D. 2  
C.D. 1

**Report Title:**

Small Business Regulatory Flexibility Act

**Description:**

Adopts a more explicit definition of "small business"; clarifies the powers of the Small Business Regulatory Review Board; increases the number of board members, with two nominated by the Board; clarifies when agencies are required to report to the Board and when the Board is required to report to the Legislature. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*





## **V. Administrative Matters**

A. Action and Voting on Board Chair, pursuant to Section 201M-5(c), HRS, and Election of Vice Chair and Second Vice Chair

**§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 nine members, who shall be appointed by the governor pursuant to section 26-34; provided that:

(1) Three members shall be appointed from a list of nominees submitted by the president of the senate;

(2) Three members shall be appointed from a list of nominees submitted by the speaker of the house of representatives;

(3) Two members shall be appointed by the governor;

(4) The director of business, economic development, and tourism, or the director's designated representative, shall serve as an ex officio[,] voting member of the board;

(5) The appointments shall reflect representation of a variety of businesses in the State;

(6) No more than two members shall be representatives from the same type of business; and

(7) There shall be at least one representative from each county.

For the purposes of paragraphs (1) and (2), nominations shall be solicited from small business organizations, state and county chambers of commerce, and other interested business organizations.

(c) Except for the ex officio member, 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; am L 2012, c 241, §3]

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**V. Administrative Matters**

B. Update on the Board's Upcoming Advocacy Activities and Programs in accordance with the Board's Powers, under Section 201M-5, HRS

*No Attachments*