

**Small Business Regulatory Review Board Meeting**

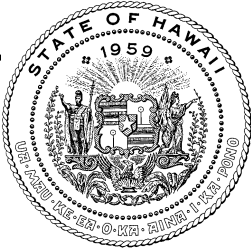
**Wednesday, September 19, 2018**

**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.sbrrb.info@hawaii.gov](mailto:dbedt.sbrrb.info@hawaii.gov)  
Website: [dbedt.hawaii.gov/sbrrb](http://dbedt.hawaii.gov/sbrrb)

Tel 808 586-2594

David Y. Ige  
Governor

Luis P. Salaveria  
DBEDT Director

## Members

Anthony Borge  
Chairperson  
Oahu

Robert Cundiff  
Vice Chairperson  
Oahu

Garth Yamanaka  
2<sup>nd</sup> Vice Chairperson  
Hawaii

Harris Nakamoto  
Oahu

Nancy Atmospera-Walch  
Oahu

Mary Albitz  
Maui

William Lydgate  
Kauai

Director, DBEDT  
Voting Ex Officio

## AGENDA - AMENDED

Wednesday, September 19, 2018 ★ 10:00 a.m.  
No. 1 Capitol District Building  
250 South Hotel Street - Conference Room 436

- I. Call to Order
- II. Approval of August 16, 2018 Meeting Minutes
- III. Old Business
  - A. Discussion and Action on Proposed Amendments and the Small Business Statement After Public Hearing for Chapters I – V, **Board of Water Supply Rules and Regulations**, in compliance with Sections 54 – 26, Hawaii Revised Statutes, for the Adoption of New Water Rates and Charges, promulgated by Board of Water Supply, City and County of Honolulu – *attached and incorporated as Exhibit 1*
- IV. New Business
  - A. Discussion and Action on Proposed New Amendment to Hawaii Administrative Rule (HAR) for Title 18 Chapter 237 **General Excise Tax**, promulgated by Department of Taxation – *attached and incorporated as Exhibit 2*
  - B. Discussion and Action on Proposed Amendments to HAR Title 12 for the following, promulgated by Department of Labor and Industrial Relations, as follows - *attached and incorporated as Exhibit 3*:
    1. Chapter 229 **General, Administrative and Legal Provisions**;
    2. Chapter 230.1 **Elevators, Escalators, Dumbwaiters, Moving Walks, and Material Lifts and Dumbwaiters with Automatic Transfer Devices**; and
    3. Chapter 240 **Elevator Requirements for Individuals with Disabilities**
- V. Legislative Matters
  - A. Update on Proposed Amendments to Chapter 201M, Hawaii Revised Statutes for the 2019 Hawaii Legislative Session – Clarify the powers of the Small Business Regulatory Review Board by adding that the Board may consider any request from small business owners for review of a rule that is proposed and amended as well as adopted by a state agency, and to change “ordinance” to “rules” when making recommendations to the county council or the mayor for appropriate action
- VI. Administrative Matters
  - A. Update on the Board’s Upcoming Advocacy Activities and Programs in accordance with the Board’s Powers under Section 201M-5, Hawaii Revised Statutes

**VII. Next Meeting:** Scheduled for Wednesday, October 17, 2018, at 10:00 a.m., Capitol District Building, Conference Room 436, Honolulu, Hawaii

**VIII. 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) 586-2399 at least three (3) business days prior to the meeting so arrangements can be made.

## **II. Approval of August 15, 2018 Meeting Minutes**

## Small Business Regulatory Review Board

### MINUTES OF REGULAR MEETING - Draft

August 15, 2018

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

- I. **CALL TO ORDER:** Chair Borge called the meeting to order at 10:03 a.m., with a quorum present.

**MEMBERS PRESENT:**

- Anthony Borge, Chair
- Robert Cundiff, Vice Chair
- Garth Yamanaka, Second Vice Chair
- Harris Nakamoto
- Mary Albitz
- William Lydgate
- Mark Ritchie

**ABSENT MEMBERS:**

- Nancy Atmospera-Walch

**STAFF: DBEDT**

Dori Palcovich  
Ashleigh Garcia

**Office of the Attorney General**

Krishna Jayaram

### II. APPROVAL OF JULY 18, 2018 MINUTES

Ms. Albitz made a motion to accept the July 18, 2018 minutes, as presented. Mr. Nakamoto seconded the motion, and the Board members unanimously agreed.

### III. NEW BUSINESS

- A. Discussion and Action on Proposed Amendments to Proposed New Rules and Regulations for Kauai County Code Section 18-5.3, Revocable Permits to Vend within County Right-of-Ways, promulgated by Department of Public Works - County of Kauai

Mr. Lyle Tabata, Acting County Engineer at the Department of Public Works, County of Kauai described the history of the promulgation of these rules; he noted that while the County held one informal public hearing, there will be another “official” hearing within the next month or two.

Ms. Jodi Higuchi Sayegusa, Deputy County Attorney, explained the safety challenges arising on the roads of Hanapepe, including a clash of brick and mortar businesses and street vendors. The intent of the amendments is to economically encourage small businesses to participate in island-wide events while protecting public health and safety.

Vice Chair Cundiff commended the Department of Public Works for accommodating the amendments to fit the needs of Kauai residents and the affected small businesses.

Vice Chair Cundiff made a motion to move the proposed rules to public hearing. Mr. Nakamoto seconded the motion, and the Board members unanimously agreed.

#### **IV. OLD BUSINESS**

- A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to HAR Title 4 Chapter 162, Food Safety Certification Costs Grant Program, promulgated by Department of Agriculture (DoAg)

Vice Chair Cundiff explained that the rule amendments are positive for small business and straight-forward whereby a process is created for businesses to apply for grants to help reimburse for costs in order to comply with the food safety laws; Mr. Lydgate concurred.

Vice Chair Cundiff made a motion to move the proposed rules to the Governor for adoption. Mr. Ritchie 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 HAR Title 4 Chapter 71, Plant and Non-Domestic Animal Quarantine, Non-Domestic Animal Import Rules, promulgated by DoAg

Mr. Jonathan Ho, Acting Manager at DoAg's Plant Quarantine Branch, explained that after the public hearing the initial proposed rules were segregated into two distinct sections. Section A entails the banning of dangerous wild animals; these rules, however, did not receive enough votes at the past Board of Agriculture's meeting to carry on the process. This specific proposal will go back to the Board of Agriculture on the last Tuesday of August 2018 for another vote. Mr. Ho confirmed that an "after public hearing statement" after the Board of Agriculture votes on the proposal will be submitted to this Board that explains specific information and testimonies received at the previously held public hearing.

Section B amendments, covering the tilapia and house cricket rules, which are totally pro-business as the rules allow for commercial use, were passed by the Board of Agriculture. Amendments contain housekeeping updates and allow for these animals to be eligible for commercial use. While at the public hearing the agriculture industry testified in support of these amendments, the department of land and natural resources and other agencies testified with concerns as there was not enough information to determine the full impact on the agriculture or on the animals.

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

#### **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

Mr. Ritchie updated the members of the annual small business fair held on Saturday, August 4<sup>th</sup> at Honolulu Community College; over 200 participants attended with nearly 35 exhibitors. The next fair in 2019 will be held at Windward Community College.

Chair Borge stated that there are currently four individuals interested in becoming members of this board – Kimo Lee, Jonathan Young, Larry Anderson and Stewart Burley. These names have been referred to House Speaker Scott Saiki for his nomination to the Governor. There is also one vacant member position needed from the Senate President.

Ms. Albitz believed that Ms. Pamela Tumpap from Maui is still interesting in becoming a board member and will follow-up with her. Mr. Nakamoto also mentioned that a prior board member, Mr. Wayne Tanaka, is interested in coming back on this board; Ms. Palcovich will following up with Mr. Tanaka.

- VI. NEXT MEETING** – The next meeting is scheduled for Wednesday, September 19, 2018, in Conference Room 436, 250 South Hotel Street, Honolulu, Hawaii at 10:00 a.m.
- VII. ADJOURNMENT** – Vice Chair Cundiff made a motion to adjourn the meeting and Mr. Nakamoto seconded the motion; the meeting adjourned at 11:16 a.m.

DRAFT

### **III. Old Business**

A. Discussion and Action on Proposed Amendments and the Small Business Statement After Public Hearing for Chapters I – V, **Board of Water Supply Rules and Regulations**, in compliance with Section 54 – 26, Hawaii Revised Statutes, for the Adoption of New Water Rates and Charges, promulgated by Board of Water Supply, City and County of Honolulu



**BOARD OF WATER SUPPLY**

CITY AND COUNTY OF HONOLULU  
630 SOUTH BERETANIA STREET  
HONOLULU, HI 96843  
www.boardofwatersupply.com



September 11, 2018

KIRK CALDWELL, MAYOR

BRYAN P. ANDAYA, Chair  
KAPUA SPROAT, Vice Chair  
DAVID C. HULIHEE  
KAY C. MATSUI  
RAY C. SOON

ROSS S. SASAMURA, Ex-Officio  
JADE T. BUTAY, Ex-Officio

ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.  
Deputy Manager and Chief Engineer *ELL*

Mr. Anthony Borge, Chair  
Small Business Regulatory Review Board  
No. 1 Capitol District Building  
Honolulu, Hawaii 96813

Dear Chair Borge:

Subject: Small Business Statement After Public Hearing for Chapters I – V, Board of Water Supply Rules and Regulations in Compliance with Section 54-26, Hawaii Revised Statutes

Enclosed is the Small Business Statement After Public Hearing for Chapters I – V, Board of Water Supply Rules and Regulations in Compliance with Section 54-26, Hawaii Revised Statutes. The Board of Water Supply (BWS) held five public hearings on proposed revisions to the schedule of rates and charges for the furnishing of water and water service. On August 27, 2018, the BWS Board passed Resolution No. 889 adopting the revisions to the schedule of rates and charges for the furnishing of water and water service for Fiscal Years 2019 - 2023.

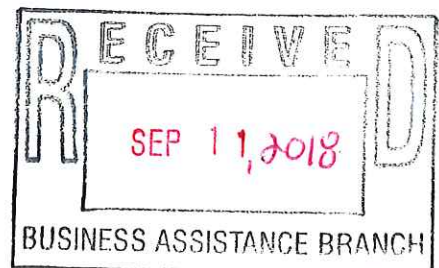
The BWS will be happy to respond to any questions at the Small Business Regulatory Review Board Meeting on Wednesday, September 19, 2018.

If you need additional information, please contact Kathy Mitchell, BWS Staff Officer at 748-5321.

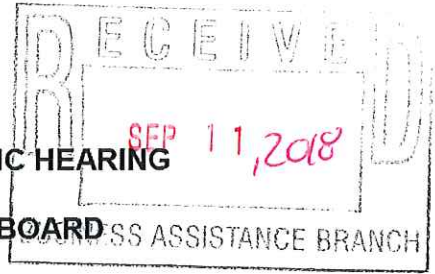
Very truly yours,

ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

Enclosures



**SMALL BUSINESS STATEMENT "AFTER" PUBLIC HEARING  
TO THE  
SMALL BUSINESS REGULATORY REVIEW BOARD**  
(Hawaii Revised Statutes (HRS), §201M-3)



**Department or Agency:** Board of Water Supply (BWS), City and County of Honolulu

**Administrative Rule Title and Chapter:** HRS § 54-26: BWS Rules and Regulations, Chapters 1-V

**Chapter Name:**


**Contact Person/Title:** Mr. Ernest Lau, P.E./Manager and Chief Engineer

**Phone Number:** 748-5061

**E-mail Address:** elau@hbws.org

**Date:** September 11, 2018

- A. To assist the SBRRB in complying with the meeting notice requirement in HRS §92-7, please attach a statement of the topic of the proposed rules or a general description of the subjects involved.
- B. Are the draft rules available for viewing in person and on the Lieutenant Governor's Website pursuant to HRS §92-7? Yes  No

(If "Yes" please provide webpage address and when and where rules may be viewed in person.) Transmitted to City Clerk's office September 5, 2018. Also available at <http://www.boardofwatersupply.com/> 

(Please keep the proposed rules on this webpage until after the SBRRB meeting.)

- I. **Rule Description:** New  Repeal  Amendment  Compilation
- II. **Will the proposed rule(s) affect small business?** Yes  No  (If "No" no need to submit this form.)

\* "Affect small business" is defined as "any potential or actual requirement imposed upon a small business . . . 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." HRS §201M-1

\* "Small business" is defined as a "for-profit corporation, limited liability company, partnership, limited partnership, sole proprietorship, or other legal entity that: (1) Is domiciled and authorized to do business in Hawaii; (2) Is independently owned and operated; and (3) Employs fewer than one hundred full-time or part-time employees in Hawaii." HRS §201M-1

- III. **Is the proposed rule being adopted to implement a statute or ordinance that does not require the agency to interpret or describe the requirements of the statute or ordinance?** Yes  No  (If "Yes" no need to submit this form.) (e.g., a federally-mandated regulation that does not afford the agency the discretion to consider less restrictive alternatives.) HRS §201M-2(d)

- IV. **Is the proposed rule being adopted pursuant to emergency rulemaking?** (HRS §201M-2(a)) Yes  No  (If "Yes" no need to submit this form.)

\* \* \*

**I. Please explain how the agency involved small business in the development of the proposed rules.**

Please see Attachment. The BWS engaged a Stakeholder Advisory Group of nearly 30 community leaders, each lending constituent-based ideas and values to the Water Rates development, in addition to a comprehensive public outreach process, as summarized in the attachment.

**a. Were there any recommendations incorporated into the proposed rules? If yes, explain. If not, why not?**

Recommendations from small business were sought through the Stakeholder Advisory Group, which included the Chamber of Commerce, the Building Industry Association, the Honolulu Board of Realtors and agriculture representatives. Recommendations made included retaining the uniform rate per 1,000 gallons of usage, switching to a monthly customer charge based on meter size, moving single-family residential customers closer to full cost of service recovery, and continuing to provide a discounted rate to agricultural, non-potable and recycled customers. All of these recommendations were incorporated.

**II. If the proposed rule(s) affect small business, and are not exempt as noted above, please provide the following information:**

1. A description of how opinions or comments from affected small businesses were solicited.

See response to question I above, and Attachment.

2. A summary of the public's and small businesses' comments.

3 were in support, 15 were in opposition, 6 requested clarification, 9 were on other topics. Nearly all who opposed appear to be single-family residential customers with concerns regarding impacts to those on fixed, low incomes; equity for water conservation; discounted rates for agriculture, the uniform non-residential rate, and fire meter standby charge; and opinion that BWS is an inefficient monopoly.

3. A summary of the agency's response to those comments.

All comments were responded to in writing and a full summary is available on our website.

<http://www.boardofwatersupply.com/customer-service/bws-seeks-community-input-proposed-rate-changes#input>

4. The number of persons who:

(i) Attended the public hearing: 5 public hearings with a total of 66 attendees

(ii) Testified at the hearing: Combined total of 5 from the 5 public hearings

(iii) Submitted written comments: 33 total from letters, email, web, phone, Star Advertiser

5. Was a request made at the hearing to change the proposed rule in a way that affected small business?

(i) If "Yes" was the change adopted? Yes  No

(ii) If No, please explain the reason the change was not adopted and the problems or negative result of the change.

Suggestions for changes provided at the 5 public hearings and through the totality of the public engagement process were determined to 1) not be feasible and/or 2) have consequences that would increase impacts to small businesses.

\* \* \*

Small Business Regulatory Review Board / DBEDT

Phone: (808) 586-2594 / Email: [DBEDT.sbrrb.info@hawaii.gov](mailto:DBEDT.sbrrb.info@hawaii.gov)

This statement may be found on the SBRRB Website at: <http://dbedt.hawaii.gov/sbrrb-impact-statements-pre-and-post-public-hearing>

# 5 Public Hearings

## 66 attendees

|                 |   |
|-----------------|---|
| <b>Honolulu</b> | <b>Thursday, April 26</b><br><i>Mission Memorial Auditorium</i><br>550 South King St., Honolulu 96813               |
| <b>Kapolei</b>  | <b>Monday, May 14</b><br><i>Kapolei Hale, ground floor conference room</i><br>1000 Uluohia Street, Kapolei 96707    |
| <b>Kaneohe</b>  | <b>Tuesday, May 15</b><br><i>Benjamin Parker Elementary School Cafeteria</i><br>45-259 Waikalua Road, Kaneohe 96744 |
| <b>Mililani</b> | <b>Thursday, May 24</b><br><i>Mililani Recreation Center #5</i><br>95-1101 Ainamakua Drive, Mililani 96789          |
| <b>Honolulu</b> | <b>Monday, August 27</b><br><i>Board of Water Supply</i><br>630 South Beretania Street, Honolulu 96843              |

# 5 gave public testimony



Opposed to higher SFR  
increases and tier  
changes



Opposed to  
BWS's Red Hill  
advocacy



Employee



Concerned that any  
increases are big for  
retirees on fixed income

# 15 Neighborhood Board presentations About 500 attendees

|  |   |
|--|---|
| Waianae Coast #24                          | Waimanalo #32                                       |
| Kuliouou-Kalani Iki #2                     | Wahiawa #26   |
| Kahaluu #29                                | Kaimuiki #4   |
| Diamond Head-Kapahulu-<br>St. Louis Hts #5 | Liliha / Puunui / Alewa /<br>Kamehameha Heights #14 |
| Mililani-Waipio #25                        | Waipahu #22   |
| Palolo #6                                  | Nanakuli-Mailii #36                                 |
| Pearl City #21                             | Nuuanu / Punchbowl #12                              |
| Aiea #20                                   | Hawaii Kai (pending)                                |

# 10 Interest group presentations About 150 attendees

- Honolulu Board of Realtors
- Chamber of Commerce Hawaii:  
Infrastructure Committee
- AARP: 2 committees
- Hawaii Community Foundation's Fresh Water Council
- Developers: MW Group, DR Horton, Stanford Carr, BIA
- 2 meetings with farmers including the Farm Bureau
- Golf course managers
- Hawaiian Electric
- Letters sent to hotels by SAG member Matt Bailey

# Mailed special edition of Water Matters to 170,000 account holders



Vol. 5 – Issue 2

Special Water Rates Issue

Spring 2018

## BWS Seeks Comment On Proposed Water Rate Hikes

The Honolulu Board of Water Supply (BWS) is proposing rate adjustments so we can continue to provide safe, dependable, and affordable water to the one million people we serve on Oahu, now and into the future.

Over the next 30 years, the BWS will invest in 800-plus infrastructure projects with total costs of more than \$5.3 billion to: boost pipeline replacement from 6 miles to 21 miles a year to reduce main breaks; renew or replace high risk pumps and reservoirs; and sustain our water supply by expanding water recycling facilities, establishing new wells, building a seawater desalination

plant, and increasing conservation and watershed protection.

As a semi-autonomous City agency, the BWS is financially self-sufficient; no tax revenues are used to finance BWS operations.

Infrastructure improvements and operations are funded mostly by rate revenues. Over the next five years, BWS's revenues will need to increase by a total of 12.5 percent to meet anticipated operating and infrastructure improvement expenses.

These proposed draft rate adjustments are needed to accomplish the following objectives:

- Increase investments in Oahu's water infrastructure
- Reduce main breaks
- Encourage conservation
- Provide funding for disaster recovery and
- Ensure that everyone pays more of their fair share of water service costs

These proposed draft rate adjustments would be implemented starting July 2018; however, actual impacts to the water bills are not anticipated until July 2019. Please note: these are proposed WATER rates, NOT sewer rates.





**Honolulu**  
City Council



**6 City Council Member briefings**

**Briefing to City Cabinet on June 19, 2018**

# Website visits

## Over 1,374 page views of rates

## Over 1,000 unique visits

The screenshot shows the homepage of the Board of Water Supply website. At the top, there is a navigation menu with links for CUSTOMER SERVICE, WATER QUALITY, CONSERVATION, WATER RESOURCES, NEWS & EVENTS, and COMMUNITY. Below the menu is a search bar and a 'MY ACCOUNT' button. The main content area features four promotional cards, each with a speech bubble icon and a red 'VIEW NOW' button. The cards are: 1. 'VIEW OR PAY BILLS ONLINE' with a checkmark icon. 2. 'PROPOSED CHANGES TO RATES' with a speech bubble icon. 3. 'GET CUSTOMER SERVICE INFO' with a speech bubble icon. 4. 'BWS BOARD MEETING' with a speech bubble icon. A large red arrow points from the statistics text above to the 'PROPOSED CHANGES TO RATES' link.



### BWS JULY BOARD MEETING

The next meeting of the Board of Directors for the Board of Water Supply (BWS) will take place on Monday, July 23, 2018.

[SEE BWS NEWS & UPDATES](#)

# 13 Radio interviews



# 3 Articles in Star Advertiser

WEDNESDAY 3/28/18

STARADVERTISER.COM

37 Oahu, \$1.22 neighbor islands

Monday - Friday, 8:00 AM - 6:00 PM

HONOLULU

The Pulse of Paradise

# Star Advertiser

BOARD OF WATER SUPPLY

## RATE HIKE PROPOSED

### SUGGESTED INCREASES

Here's how the monthly water bill would increase for average residential use, which is 3,000 gallons for single-family homes and 6,000 gallons for multi-family homes.

|           | SINGLE-FAMILY | MULTI-FAMILY |
|-----------|---------------|--------------|
| Current   | \$39.78       | \$26.52      |
| July 2018 | \$39.78       | \$26.52      |
| July 2019 | \$45.54       | \$29.70      |
| July 2020 | \$46.80       | \$29.76      |
| July 2021 | \$49.50       | \$29.88      |
| July 2022 | \$52.65       | \$30.18      |

Source: Board of Water Supply

Longer residential water users would bear the brunt of a 12.5 percent increase over four years, starting in mid-'19

By Andrew Garcia

PHOTO COURTESY OF HAWAIIAN WATER SUPPLY

The Honolulu Board of Water Supply is proposing to raise the rates of municipal water and have larger users in single-family homes shoulder more of the increase that's budget sought to keep up with costs.

Board members of the independent city agency voted unanimously Tuesday to solicit public feedback on a draft package of rate increases that it describes as modest overall — a 12.5 percent over four years — and a deviation from drastic past increases. Increases, if approved, would start in mid-2019.

For average residential customers, most of the hike would hit next year and be followed by smaller increases in the three years after that.

All of our revenue

comes from rate

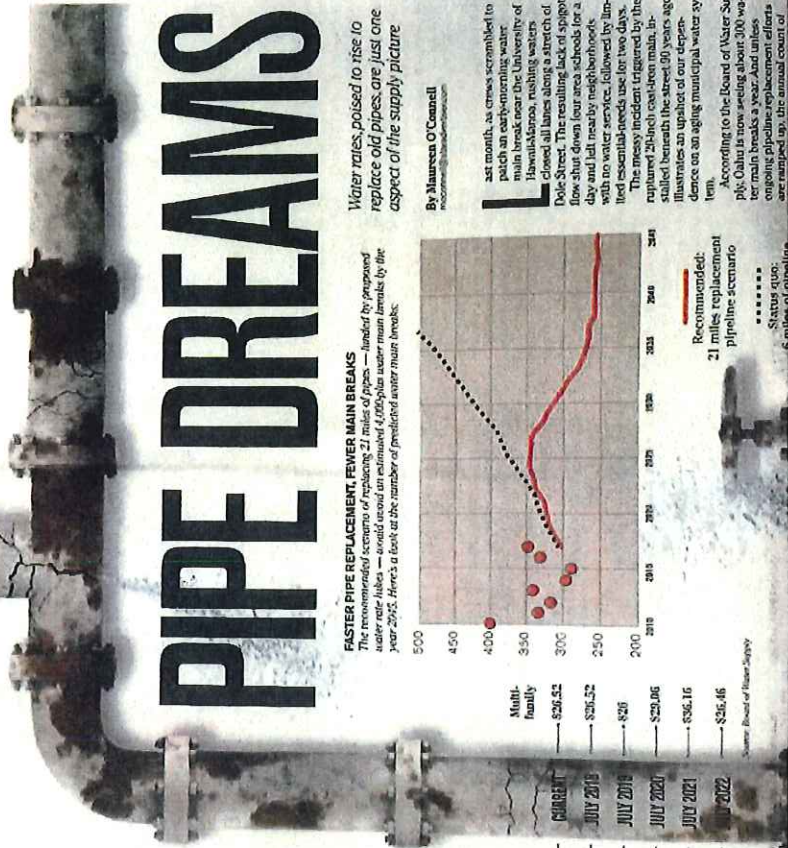
Star Advertiser SUNDAY 5/13/18

Corporate and other: Lisa Young/Ono Photography/Ono.com

## insight



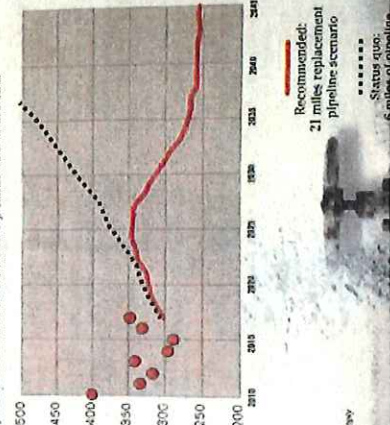
**SET UP SCHOOL SUCCESS**  
Editorial: Strengthening the bridge from Hawaii high school to college is needed >> F2  
LETTERS TO THE EDITOR >> F4  
GEORGE WILL >> F4



## PIPE DREAMS

### FASTER PIPE REPLACEMENT FEWER MAIN BREAKS

The recommended scenario of replacing 21 miles of pipes — funded by increased water rate hikes — would avoid an estimated 4,000 gallons of water main breaks by the year 2025. Here's a look at the number of predicted water main breaks.



By Maureen O'Connell

PHOTO COURTESY OF HAWAIIAN WATER SUPPLY

Last month, as crews scrambled to patch an early-morning water main break near the University of Hawai'i campus, rushing waters closed all lanes along a stretch of Kolu Street. The resulting back-of-spitout with no water near the University of Hawai'i campus followed by limited essential needs use for two days. The messy incident triggered by the ruptured 24-inch cast-iron main installed beneath the street 90 years ago, illustrates an upshot of our dependence on an aging municipal water system.

According to the Board of Water Supply, Oahu is now seeing about 300 water main breaks a year. And unless ongoing pipe-main replacement is accelerated by the annual count of



### SUGGESTED INCREASES

Here's how the monthly water bill would increase for average residential use, which is 3,000 gallons for single-family homes and 6,000 gallons for multi-family homes.

|           | SINGLE-FAMILY | MULTI-FAMILY |
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| Current   | \$39.78       | \$26.52      |
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| July 2022 | \$52.65       | \$30.18      |

Source: Board of Water Supply

Recommended: 21 miles replacement pipeline scenario

Legend:   
 ●●●●● Current scenario   
 ●●●●● Status quo   
 ●●●●● 21 miles of replacement

## Other media coverage



**Total estimated reach for traditional and social media coverage about 500,000**

## 33 additional commenters (letters, email, web, phone, Star Advertiser)

| Support | Oppose | Requested Clarification | Other Topic |
|---------|--------|-------------------------|-------------|
| 3       | 15     | 6                       | 9           |

- ◆ Nearly all who opposed appear to be single-family residential customers
  - Impacts to customers on fixed, low incomes
  - Inefficient, monopoly
  - Conservation equity
  - Discounted rates for Ag, uniform non-residential rate, fire meter standby charge
- ◆ ENV was most common other topic

# 17 Stakeholder Advisory Group meetings focused on rates issues



## Stakeholder Advisory Group reviewed public input on proposed rates

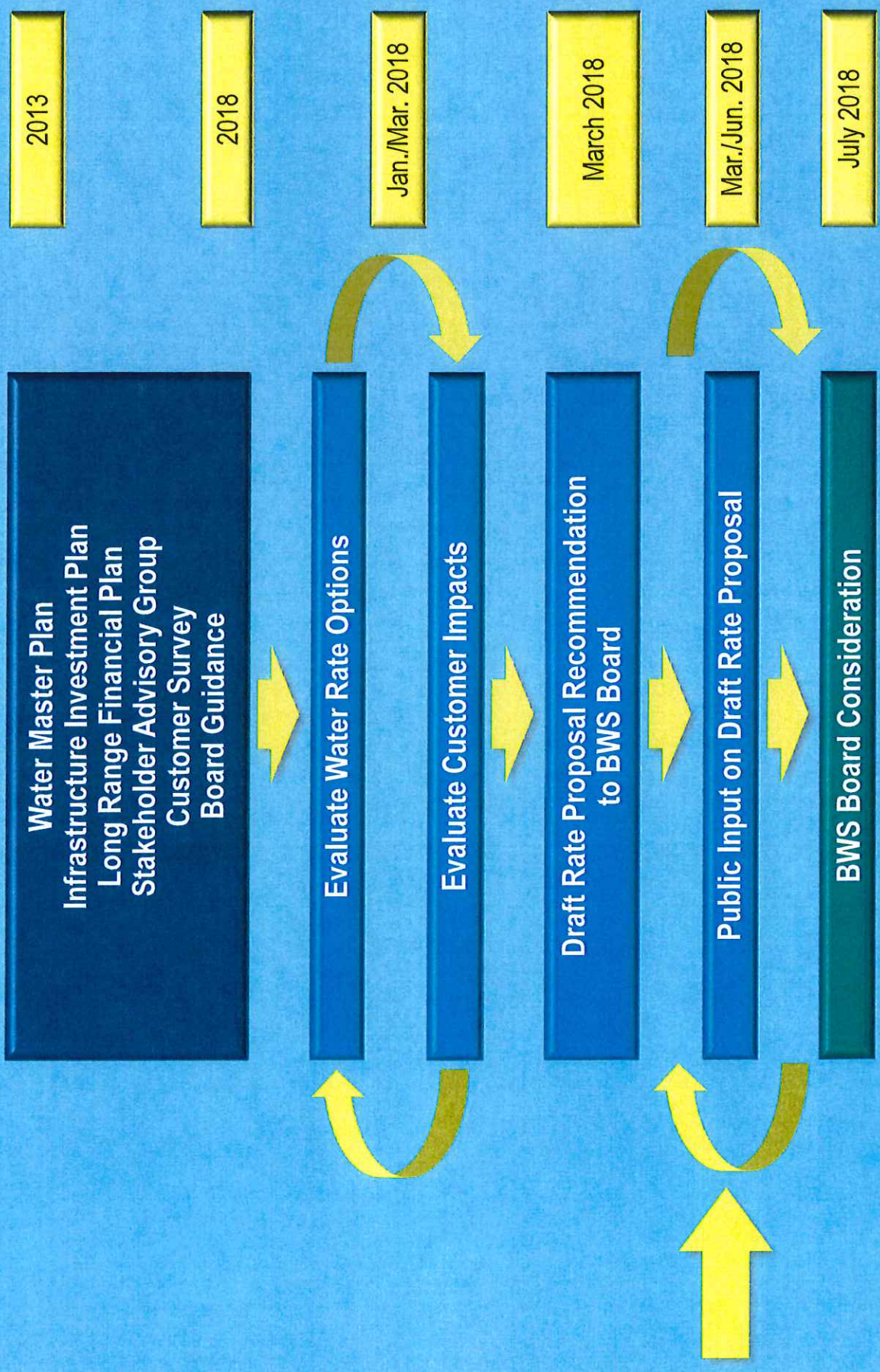
- ◆ SAG pleased with extensive outreach especially to the Neighborhood Boards.
- ◆ Overall, comments at the NB positive and supportive of BWS's approach and rationale for the water rate increases.
- ◆ SAG echoed comments from NBs that sewer rates are very high and nothing anyone can do about it. Community feels "stuck" with the bill.
- ◆ Reception of Essential Needs Tier from SAG and public very positive.



## Stakeholder Advisory Group reviewed public input on proposed rates (cont.)

- ◆ Strong support for ramp up to 21 miles of pipeline replacement over next decade along with other prioritized infrastructure upgrades.
  - Aggressive but balances ability to implement with economic impact to our customers.
  - Allows for flexibility as we work to ramp up staffing in order to implement the plan.
  - Sustainable and incremental approach to infrastructure replacement and upgrades.
- ◆ SAG members commented that it looks like you've done a lot of vetting and it doesn't sound like there are a lot of recommendations for changes. I would suggest that we approve it. BWS on the right track.

# Process Overview



BOARD OF WATER SUPPLY  
CITY AND COUNTY OF HONOLULU

RESOLUTION NO. 889, 2018

ADOPTING THE REVISIONS TO THE SCHEDULE OF RATES AND CHARGES FOR THE FURNISHING OF WATER AND WATER SERVICE FOR FISCAL YEARS 2019 – 2023, EFFECTIVE SEPTEMBER 10, 2018 THROUGH JUNE 30, 2023

WHEREAS, after notices of publication, five public hearings were held by the Board of Water Supply on April 26, 2018, May 14, 2018, May 15, 2018, May 24, 2018, and August 27, 2018, for the purpose of considering proposed revisions to the Schedule of Rates and Charges for the Furnishing of Water and Water Service; and

WHEREAS, testimonies presented at said hearings and received in writing through August 27, 2018 on the proposed revisions were given due consideration; and

WHEREAS, the Board of Water Supply held 27 meetings with a Stakeholder Advisory Group to solicit feedback and gather input on the Water Master Plan, Infrastructure Investment Plan, Long Range Financial Plan, and proposed changes to the water rates and charges; and

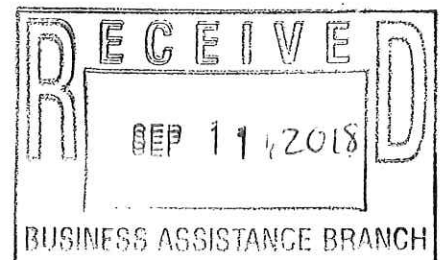
WHEREAS, the mission of the Board of Water Supply is to provide safe, dependable, and affordable water now and into the future; and

WHEREAS, a Water Master Plan adopted in October 2016 identifies the needs of the Board of Water Supply in order to meet its mission; and

WHEREAS, an Infrastructure Investment Plan was developed from the findings of the Water Master Plan to identify and schedule capital improvements to implement the findings and recommendations in the Water Master Plan in order to meet the mission of the Board of Water Supply; and

WHEREAS, a Long Range Financial Plan adopted by the Board of Water Supply in March 2018 was developed and included a projection of ten-year revenue requirements, evaluation of financing strategies, supporting revised Financial Policies adopted by the Board of Water Supply in May 2017, and assessment of long-term (30-year) trends and risks associated with supporting the Infrastructure Investment Plan; and

WHEREAS, a five-year cost of service and rate study were completed to determine the necessary revenue adjustments to support implementation of the findings in the Water Master Plan and the Infrastructure Investment Plan; and



WHEREAS, the Board of Water Supply seeks to increase its annual replacement of pipeline to 21 miles per year over the next decade; and

WHEREAS, the cost of service analysis identified opportunities to adjust rates and charges to better align revenues with the costs to serve different customer classes; and

WHEREAS, the rate study identified opportunities to incentivize efficient use of water within the residential customer classes by changing tiers and rates; and


WHEREAS, the Board of Water Supply recognizes the importance of affordable water to meet essential household needs; and

WHEREAS, the Board of Water Supply recognizes the benefits of a viable local agricultural industry on Oahu and the importance of an affordable supply of water for that industry; and

WHEREAS, the Board of Water Supply recognizes the benefit of encouraging the use of recycled and non-potable water resources as a way to manage and sustain the potable water resources on Oahu; now, therefore

BE IT RESOLVED by the Board of Water Supply, City and County of Honolulu, that in support of these objectives and the mission of the Board of Water Supply, the Schedule of Rates and Charges be revised, as attached hereto, and that said rates and charges shall become effective from and after September 10, 2018.

ADOPTED:

  
BRYAN P. ANDAYA  
Chair

Honolulu, Hawaii  
August 27, 2018

**APPROVED**

RESOLUTION NO. 889, 2018, ADOPTING THE REVISIONS TO THE SCHEDULE OF RATES AND CHARGES FOR THE FURNISHING OF WATER AND WATER SERVICE FOR FISCAL YEARS 2019-2023, EFFECTIVE SEPTEMBER 10, 2018 THROUGH JUNE 30, 2023 WAS ADOPTED ON AUGUST 27, 2018

|                  | AYE | NO | COMMENT |
|------------------|-----|----|---------|
| BRYAN P. ANDAYA  | X   |    |         |
| KAPUA SPROAT     | X   |    |         |
| DAVID C. HULIHEE |     |    | ABSENT  |
| KAY C. MATSUI    | X   |    |         |
| RAY C. SOON      | X   |    |         |
| ROSS S. SASAMURA | X   |    |         |
| JADE T. BUTAY    |     |    | ABSENT  |

## Revision to the Schedule of Rates and Charges for the Furnishing of Water and Water Service

Amended by Resolution No. 889, 2018, effective September 10, 2018

### Schedule for September 10, 2018 – June 30, 2019

#### Billing Charge

There is a billing charge each time a bill is issued effective as follows:

| Sep. 10, 2018 |
|---------------|
| \$9.26        |

#### Quantity Charge

In addition to the Billing Charge, there is a charge for all water used, rounded down to the nearest 1,000 gallons (k-gal), effective as follows:

|  |               |
|--|---------------|
| Single-Family Residential<br>(Monthly per dwelling unit) | Sep. 10, 2018 |
| Tier 1<br>First 13,000 gallons                           | \$4.42        |
| Tier 2<br>13,001 – 30,000 gallons                        | \$5.33        |
| Tier 3<br>Over 30,000 gallons                            | \$7.94        |
| Multi-Unit Residential<br>(Monthly per dwelling unit)    | Sep. 10, 2018 |
| Tier 1<br>First 9,000 gallons                            | \$4.42        |
| Tier 2<br>9,001 – 22,000 gallons                         | \$5.33        |
| Tier 3<br>Over 22,000 gallons                            | \$7.94        |
| Non-Residential  | Sep. 10, 2018 |
| All Usage  | \$4.96        |
| Agricultural<br>(Monthly per account)                    | Sep. 10, 2018 |
| Tier 1<br>First 13,000 gallons                           | \$4.42        |
| Tier 2<br>Over 13,000 gallons                            | \$1.89        |
| Non-Potable/Brackish                                     | Sep. 10, 2018 |
| All Usage  | \$2.47        |

## **Customer Class Definitions**

**Potable Water** means all water that meets State Department of Health Drinking Water Standards. For all customers, all potable water used for irrigation will be billed in accordance with the primary usage of the property. Potable water customers are divided into the following classes:

### Residential

Single-family residential refers to single-family and duplex residences.

Multi-Unit refers to multi-unit residences including apartments, condominiums and townhouses. Low-rise constitutes up to three stories in height. High-rise refers to higher than three living stories.

### Agricultural

Agricultural refers to a parcel devoted to agricultural activities. To qualify for Agricultural Quantity Charges, a customer must submit a written application to the Board of Water Supply and furnish satisfactory proof that they are engaged in agriculture on a commercial basis. Only one dwelling unit will be allowed on a meter qualifying for the agricultural quantity charges. To continue to qualify, the application must be renewed each fiscal year.

### Non-Residential

Non-residential refers to any property not used for residential or agricultural purposes. To determine appropriate quantity charges, combinations of residential and non-residential may require separate meters for each use; e.g. separate residential and non-residential meters.

### **Non-Potable/Brackish**

Non-Potable/ Brackish refers to customers that receive non-potable/ brackish water. This water does not meet State Department of Health Drinking Water Standards. The Non-Potable Quantity Charges shall not supersede existing or individually negotiated non-potable quantity charge agreements.

**Standby Charge:** A Standby Charge will be negotiated by the Manager and Chief Engineer with each private water system contracting for interconnection service. Such service shall be provided only during emergency or temporary service outages with the intent to protect against interrupted water service supporting normal private system requirements. Water used shall be charged at the applicable quantity rate for each thousand gallons. Approval of activation and duration is contingent upon impacts to BWS customers' level of service and BWS's ability to meet Water System Standards requirements. Activation of service will require a written request submitted to the Manager and Chief Engineer at least 48 hours before service is required, unless waived by the Manager and Chief Engineer.

Water service shall be provided in accordance with Board of Water Supply Rules and Regulations Section 1-101 Availability of Water which requires that "the Department have sufficient pressure and water supply available for domestic use and fire protection and can assume new or additional service without detriment to those presently being served."

**Power Cost Adjustment:** When total power, or electricity, costs to the Board of Water Supply exceed the amount used in calculating the annual Schedule of Rates and Charges, then the Quantity Charge may be increased \$0.01 per 1,000 gallons for every \$500,000 incremental power cost overage in the following fiscal year.

**Environmental Regulations Compliance Fee Cost Adjustment:** The Quantity Charge may be increased \$0.01 per 1,000 gallons for each \$500,000 of additional costs that the Board of Water Supply is required to incur in order to comply with any Federal or State environmental law or regulation.

**Waiver of Water System Facilities Charge for Qualified Affordable and Homeless Dwelling Units**

The Board of Water Supply may waive the Water Systems Facilities Charges and new meter cost for qualified on-site affordable and homeless dwelling units, up to 500 dwelling units per year. The waivers will be granted when the building permit is submitted for approval. To qualify, the dwelling units must be certified as either affordable or homeless dwelling units by the appropriate agency of the City and County of Honolulu. Waiver of the Water System Facilities Charge will apply only to fixture units associated with the certified dwelling units. The amount of the meter waiver shall be calculated as a percentage of the number of certified dwelling units to the total number of dwelling units in the project. If the annual cap of 500 dwelling units has not been reached and a project is proposed that would qualify for more than the remaining number of dwelling units in that year, the Manager and Chief Engineer has the discretion to increase that year's limit. This waiver provision shall expire on June 30, 2023.

**Waiver of Meter Charges for Residential Fire Sprinkler Retrofits**

The Board of Water Supply may waive the new meter charges for high rise multi-unit residential fire sprinkler retrofits. This waiver provision shall expire on June 30, 2023.

**Schedule for July 1, 2019 – June 30, 2023**

**Customer Charge**

There is a customer charge each month service is provided based on the meter size effective as follows:

| Meter Size   | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
|--------------|--------------|--------------|--------------|--------------|
| 5/8" or 3/4" | \$10.42      | \$10.80      | \$11.38      | \$12.09      |
| 1"           | \$13.31      | \$13.79      | \$14.45      | \$15.28      |
| 1.5"         | \$15.23      | \$15.78      | \$16.50      | \$17.41      |
| 2"           | \$38.81      | \$40.18      | \$41.61      | \$43.45      |
| 3"           | \$47.95      | \$49.64      | \$51.35      | \$53.55      |
| 4"           | \$91.74      | \$94.95      | \$97.98      | \$101.92     |
| 6"           | \$163.91     | \$169.63     | \$174.84     | \$181.64     |
| 8"           | \$250.03     | \$258.76     | \$266.57     | \$276.78     |
| 12"          | \$541.31     | \$560.18     | \$576.78     | \$598.53     |

**Quantity Charge**

In addition to the Customer Charge, there is a charge for all water used, rounded down to the nearest 1,000 gallons (k-gal), effective as follows:

| Single-Family Residential<br>(Monthly per dwelling unit) | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
|--|--------------|--------------|--------------|--------------|
| Tier 1: Essential Needs<br>First 2,000 gallons           | \$3.79       | \$3.91       | \$4.17       | \$4.46       |
| Tier 2<br>2,001 – 6,000 gallons                          | \$4.46       | \$4.60       | \$4.90       | \$5.25       |
| Tier 3<br>6,001 – 30,000 gallons                         | \$5.06       | \$5.20       | \$5.50       | \$5.85       |
| Tier 4<br>Over 30,000 gallons                            | \$8.46       | \$8.60       | \$8.90       | \$9.25       |
| Multi-Unit Residential<br>(Monthly per dwelling unit)    | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
| Tier 1: Essential Needs<br>First 2,000 gallons           | \$3.70       | \$3.71       | \$3.72       | \$3.77       |
| Tier 2<br>2,001 – 4,000 gallons                          | \$4.35       | \$4.36       | \$4.38       | \$4.43       |
| Tier 3<br>4,001 – 10,000 gallons                         | \$4.95       | \$4.96       | \$4.98       | \$5.03       |
| Tier 4<br>Over 10,000 gallons                            | \$5.90       | \$5.91       | \$5.93       | \$5.98       |
| Non-Residential  | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
| All Usage  | \$5.01       | \$5.06       | \$5.16       | \$5.27       |
| Agricultural<br>(Monthly per account)                    | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
| Tier 1: Essential Needs<br>First 2,000 gallons           | \$3.79       | \$3.91       | \$4.17       | \$4.46       |
| Tier 2<br>2,001 – 6,000 gallons                          | \$4.46       | \$4.60       | \$4.90       | \$5.25       |
| Tier 3<br>Over 6,000 gallons                             | \$1.95       | \$1.98       | \$2.05       | \$2.12       |



| Non-Potable/Brackish | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
|----------------------|--------------|--------------|--------------|--------------|
| All Usage            | \$2.53       | \$2.62       | \$2.75       | \$2.90       |
| Recycled Water       |              |              |              |              |
| R-1 Golf             | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
| All Usage            | \$0.57       | \$0.59       | \$0.62       | \$0.65       |
| R-1 Other            | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
| All Usage            | \$1.84       | \$1.88       | \$1.92       | \$1.96       |
| Reverse Osmosis (RO) | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
| All Usage            | \$5.76       | \$5.88       | \$6.12       | \$6.36       |

### Fire Meter Standby Charge

For those receiving private fire service, there is an additional fire meter standby charge billed monthly based on the size of the fire meter effective as follows:

| Fire Meter Size | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 |
|-----------------|--------------|--------------|--------------|--------------|
| 2" and smaller  | \$6.72       | \$6.95       | \$7.42       | \$7.99       |
| 3"              | \$8.82       | \$9.08       | \$9.64       | \$10.29      |
| 4"              | \$12.43      | \$12.74      | \$13.44      | \$14.23      |
| 6"              | \$25.42      | \$25.94      | \$27.13      | \$28.44      |
| 8"              | \$47.83      | \$48.69      | \$50.74      | \$52.94      |

### Customer Class Definitions

**Potable Water** means all water that meets State Department of Health Drinking Water Standards. For all customers, all potable water used for irrigation will be billed in accordance with the primary usage of the property. Potable water customers are divided into the following classes:

#### Residential

Single-family residential refers to single-family and duplex residences.

Multi-Unit refers to multi-unit residences including apartments, condominiums and townhouses. Low-rise constitutes up to three stories in height. High-rise refers to higher than three living stories.

#### Agricultural

Agricultural refers to a parcel devoted to agricultural activities. To qualify for Agricultural Quantity Charges, a customer must submit a written application to the Board of Water Supply and furnish satisfactory proof that they are engaged in agriculture on a commercial basis. Only one dwelling unit will be allowed on a meter qualifying for the agricultural quantity charges. To continue to qualify, the application must be renewed each fiscal year.

#### Non-Residential

Non-residential refers to any property not used for residential or agricultural purposes. To determine appropriate quantity charges, combinations of residential and non-residential may require separate meters for each use; e.g. separate residential and non-residential meters.

**Non-Potable Water** means all water that does not meet State Department of Health Drinking Water Standards. It is divided into the following classes:

Non-Potable/ Brackish

Customers that receive non-potable/ brackish water.

R-1 Recycled Water

R-1 recycled water is recycled wastewater that meets State Department of Health Reuse Guidelines.

R-1 Golf are those customers that receive R-1 water used primarily for golf course irrigation.

R-1 Other are those customers that receive R-1 recycled water for uses other than golf course irrigation

Reverse Osmosis (RO) Demineralized Water

RO water is recycled wastewater that has been demineralized through reverse osmosis.

The R-1 Golf, R-1 Other and RO Customer and Quantity Charges shall not supersede existing or individually negotiated charges unless expressly identified in the contract.

**Fire Meter Standby Charge**

The Fire Meter Standby Charge, for readiness to serve, applies to services used exclusively for private fire protection purposes, including automatic fire sprinkler services connected to the alarm systems, fire hydrants, and wet standpipes. These must be protected against theft and leakage or waste of water. No connections or usage of water for other than fire-fighting and system testing purposes is allowed. In addition, for any misuse or non-fire protection related water use, such usage will be billed at twice the highest quantity charge in effect at that time. For any such misuse or leakage, the Customer shall be subject to penalty pursuant to Chapter 1, Article 3, Section 1-3.1 of the Revised Ordinances of Honolulu. Except for misuse and non-fire protection related use as described above, there are no quantity charges associated with these services.

**Standby Charge:** A Standby Charge will be negotiated by the Manager and Chief Engineer with each private water system contracting for interconnection service. Such service shall be provided only during emergency or temporary service outages with the intent to protect against interrupted water service supporting normal private system requirements. Water used shall be charged at the applicable quantity rate for each thousand gallons. Approval of activation and duration is contingent upon impacts to BWS customers' level of service and BWS's ability to meet Water System Standards requirements. Activation of service will require a written request submitted to the Manager and Chief Engineer at least 48 hours before service is required, unless waived by the Manager and Chief Engineer.

Water service shall be provided in accordance with Board of Water Supply Rules and Regulations Section 1-101 Availability of Water which requires that "the Department have sufficient pressure and water supply available for domestic use and fire protection and can assume new or additional service without detriment to those presently being served."

**Power Cost Adjustment:** When total power, or electricity, costs to the Board of Water Supply exceed the amount used in calculating the annual Schedule of Rates and Charges, then the Quantity Charge may be increased \$0.01 per 1,000 gallons for every \$500,000 incremental power cost overage in the following fiscal year.

**Environmental Regulations Compliance Fee Cost Adjustment:** The Quantity Charge may be increased \$0.01 per 1,000 gallons for each \$500,000 of additional costs that the Board of Water Supply is required to incur in order to comply with any Federal or State environmental law or regulation.

**Waiver of Water System Facilities Charge for Qualified Affordable and Homeless Dwelling Units**

The Board of Water Supply may waive the Water Systems Facilities Charges and new meter cost for qualified on-site affordable and homeless dwelling units, up to 500 dwelling units per year. The waivers will be granted when the building permit is submitted for approval. To qualify, the dwelling units must be certified as either affordable or homeless dwelling units by the appropriate agency of the City and County of Honolulu. Waiver of the Water System Facilities Charge will apply only to fixture units associated with the certified dwelling units. The amount of the meter waiver shall be calculated as a percentage of the number of certified dwelling units to the total number of dwelling units in the project. If the annual cap of 500 dwelling units has not been reached and a project is proposed that would qualify for more than the remaining number of dwelling units in that year, the Manager and Chief Engineer has the discretion to increase that year's limit. This waiver provision shall expire on June 30, 2023.

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## **IV. New Business**

A. Discussion and Action on Proposed New  
Amendment to HAR Title 18 Chapter 237,  
**General Excise Tax**, promulgated by DoTax

**PRE-PUBLIC HEARING**  
**SMALL BUSINESS IMPACT STATEMENT**  
**TO THE**  
**SMALL BUSINESS REGULATORY REVIEW BOARD**

(Hawaii Revised Statutes §201M-2)

**Department or Agency:** Department of Taxation (Department)

**Administrative Rule Title and Chapter:** 18-237

**Chapter Name:** General Excise Tax

**Contact Person/Title:** Jacob Herlitz, Administrative Rules Specialist

**Phone Number:** (808) 587-5334

**E-mail Address:** [Jacob.L.Herlitz@hawaii.gov](mailto:Jacob.L.Herlitz@hawaii.gov)

**Date:** August 28, 2018

**Webpage address for draft rules:** [tax.hawaii.gov/legal/taxlawandrules](http://tax.hawaii.gov/legal/taxlawandrules)

**General Description of Proposed Rules:**

The proposed rules amend chapter 18-237, Hawaii Administrative Rules (HAR), by adding a new section that defines where intangible property is used for purposes of the general excise tax exemption for gross income received from intangible property used outside the State, created by Act 183, Session Laws of Hawaii 2018. Specifically, the proposed rules define where intangible property is used based on whether the customer is a business, individual, military, or government.

**Rule Description:**     New     Repeal     Amendment     Compilation

**Information Required Under Section 201M-2, HRS**

- Description of the small businesses that will be required to comply with the proposed rules, and how they may be adversely affected.**

All businesses, small and large, will be required to comply with the proposed rules. The proposed rules should not adversely affect any small business, but rather, should benefit all taxpayers, including small businesses, by clarifying when the exemption created by Act 183 will apply.



- 2. 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:**

The proposed rules do not increase any costs, fees or fines.

- 3. 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:**

The proposed rules will not result in any monetary cost or benefit to the Department or any other agency. There are no additional fees or changes to the ways moneys will be used.

- 4. 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:**

The proposed rules do not offer any differing methods specific to small business.

- 5. The availability and practicability of less restrictive alternatives that could be implemented in lieu of the proposed rules.**

The proposed rules do not increase or decrease the restrictiveness of the law on small businesses. The rules only provide clarity for determining whether income is subject to the exemption created by Act 183 and do not change the existing tax burden or filing requirements under the law.

- 6. Consideration of creative, innovative, or flexible methods of compliance for small businesses. The businesses that will be directly affected by, bear the costs of, or directly benefit from the proposed rules.**

The proposed rules should make it easier for all businesses to comply with tax obligations

because of the clarity the rules will provide. The Department did not consider additional methods of compliance for small businesses specifically.

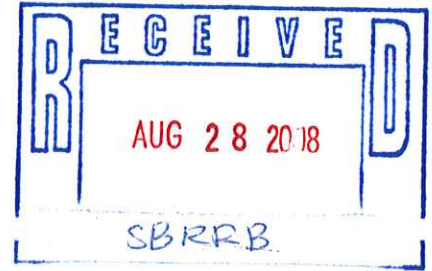
Businesses that receive gross income from the sale of intangible property will benefit most directly from the proposed rules.

**7. How the agency involved small business in the development of the proposed rules:**

The Department did not directly involve small businesses.

**8. 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:**

The proposed rules do not include any provisions that are more stringent than those mandated by another federal, state or county standard.



DEPARTMENT OF TAXATION

Amendments to Chapter 18-237,  
Hawaii Administrative Rules

\_\_\_\_\_, 2018

1. Chapter 18-237, Hawaii Administrative Rules, is amended by adding a new section to read as follows:

**"§18-237-\_\_-01 Exemption for intangible property used outside the State.** (a) If intangible property is used both in and outside of the State, all of the value or gross proceeds will be subject to general excise tax in proportion to the benefit received in the State. Any reasonable method of apportioning all of the value or gross income may be used; provided that the method is consistently used by the taxpayer and supported by verifiable data that reasonably quantifies the proportionate benefit received in the State.

(b) If the customer is a business and the intangible property is acquired by the customer for use in the customer's business activities, the intangible property is used where the business activities occur.

(c) If the customer is a business and the intangible property is not acquired by the customer for use in the customer's business activities, the intangible property is used where the customer's principal place of business is located;

(d) If the customer is an individual, the intangible property is used where the individual resides;

(e) If the customer is the military or federal, state, or local government, the intangible property is used where the benefit of the intangible property is received.

(f) For purposes of this section, "business activities" means the transactions and activities engaged in the regular course of trade or business for



the ultimate purpose of obtaining gains or profits, or if the business is a tax-exempt organization, also includes the transactions and activities that further the exempt purpose of the organization." [Eff  
] (Auth: HRS §§ 231-3(9), 237-8) (Imp: HRS  
§237-\_\_)

2. New material is underscored.

3. These amendments to chapter 18-231, Hawaii Administrative Rules, are provided in Ramseyer format for reference only.



DEPARTMENT OF TAXATION

Amendments to Chapter 18-237,  
Hawaii Administrative Rules

\_\_\_\_\_, 2018

SUMMARY

1. New §18-237-\_\_-01 is added.

**§18-237-\_\_-01 Exemption for intangible property used outside the State.**

(a) If intangible property is used both in and outside of the State, all of the value or gross proceeds will be subject to general excise tax in proportion to the benefit received in the State. Any reasonable method of apportioning all of the value or gross income may be used; provided that the method is consistently used by the taxpayer and supported by verifiable data that reasonably quantifies the proportionate benefit received in the State.

(b) If the customer is a business and the intangible property is acquired by the customer for use in the customer's business activities, the intangible property is used where the business activities occur.

(c) If the customer is a business and the intangible property is not acquired by the customer for use in the customer's business activities, the intangible property is used where the customer's principal place of business is located;

(d) If the customer is an individual, the intangible property is used where the individual resides;

(e) If the customer is the military or federal, state, or local government, the intangible property is used where the benefit of the intangible property is received.

(f) For purposes of this section, "business activities" means the transactions and activities engaged in the regular course of trade or business for the ultimate purpose of obtaining gains or profits, or if the business is a tax-exempt organization, also includes the transactions and activities that further the exempt purpose of the organization. [Eff

] (Auth: HRS §§ 231-3(9), 237-8) (Imp: HRS §237-\_\_)

## **IV. New Business**

**B.** Discussion and Action on Proposed Amendments to HAR Title 12 for the following chapters, promulgated by Department of Labor and Industrial Relations, as follows:

1. Chapter 22 **General, Administrative and Legal Provisions;**
2. Chapter 230.1 **Elevators, Escalators, Dumbwaiters, Moving Walks, and Material Lifts and Dumbwaiters with Automatic Transfer Devices;**  
and
3. Chapter 240 **Elevator Requirements for Individuals with Disabilities**

**PRE-PUBLIC HEARING  
SMALL BUSINESS IMPACT STATEMENT  
TO THE  
SMALL BUSINESS REGULATORY REVIEW BOARD  
(Hawaii Revised Statutes §201M-2)**

**Department or Agency:** Labor and Industrial Relations

**Administrative Rule Title and Chapter:** Title 12, Subtitle 8.

**Chapter Name:** 12-229 General, Administrative and Legal Provisions, 12-230.1 Elevators, Escalators, Dumbwaiters, Moving Walks, and Material Lifts and Dumbwaiters with Automatic Transfer Devices; 12-240 Elevator Requirements for Individuals with Disabilities

**Contact Person/Title:** Bill Kunstman, Asst. to the Director

**A. HRS §92-7, please attach a statement of the topic of the proposed rules or a general description of the subjects involved.**

The proposed changes are essentially housekeeping to either match current custom and practice or conform the rules to the statute as well as a modest increase in fees to reflect the increased costs associated with collective bargaining, fringe rate, and increases in the costs of goods and services as reflected in the Consumer Price Index (CPI).

The cumulative increase in collective bargaining costs from FY2012-2019 for Bargaining Units 3 & 4 is 20.6%, the CPI has increased by 10%, and the fringe rate has increased from 41.54% to 60.08% (see attached Exhibits A-D).

**B. Are the draft rules available for viewing in person and on the Lieutenant Governor's Website pursuant to HRS §92-7? Yes No (If Yes, please provide webpage address and when and where rules may be viewed in person).**

Draft rules in Ramseyer format are available at:

<https://labor.hawaii.gov/hiosh/proposed-rules/>

The rules are also available at HIOSH: 830 Punchbowl Street #423.

**(Please keep the proposed rules on this webpage until after the SBRRB meeting.)**

**I. Rule Description: New Repeal Amendment Compilation**

Amendment and Compilation of Chapters 12-229, 12-230.1, and 12-240 Hawaii Administrative Rules

**II. Will the proposed rule(s) affect small business? Yes No (If No, no need to submit this form.)**

Yes.

**III. Is the proposed rule being adopted to implement a statute or ordinance that does not require the agency to interpret or describe the requirements of the statute or ordinance? Yes No (If Yes, no need to submit this form.)**

(e.g., a federally-mandated regulation that does not afford the agency the discretion to consider less restrictive alternatives.) HRS §201M-2(d)

No.

**IV. Is the proposed rule being adopted pursuant to emergency rulemaking?**

**(HRS §201M-2(a)) Yes      No      (If Yes, no need to submit this form.)**

No

**If the proposed rule affects small business and are not exempt as noted above, please provide a reasonable determination of the following:**

**1. Description of the small businesses that will be required to comply with the proposed rules and how they may be adversely affected.**

The Elevator Rules and codes adopted therein apply to any entity, including small businesses, which own or are responsible for elevators or related systems. The initial impact of the proposed rules will be to elevator contractors, construction contractors of buildings using elevators and related systems, and building owners. The proposed rules include increased fees for inspections and safety tests. The increased fees will affect building owners, tenants and all businesses responsible for elevators or related equipment.

**2. 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.**

**If the proposed rule imposes a new or increased fee or fine:**

**a. Amount of the current fee or fine and the last time it was increased.**

Most of the fees have not been increased since the passage of Act 102, Session Laws of Hawaii, 2012. The statutory language set the fees but allowed the director to adopt rules pursuant to chapter 91 to amend the fees. The Legislature's intent was to provide the flexibility for the Director to change fees to ensure the self-sufficiency of the Boiler & Elevator Branch (Branch).

Rules that became effective on November 10, 2016, increased twelve (12) of 41 (41) fees (29%) and added two (2) more. The current proposal adds two (2) additional fees.

**b. Amount of the proposed fee or fine and the percentage increase.**

Please see attached chart (Exhibit D) illustrating the current and proposed amounts of the fees as well as the percentage increase. The average increase is 7.5%. Fees were not increased from 1998 until Act 103 (SLH, 2012) and increases since then, and in the proposal, are modest.

**c. Reason for the new or increased fee or fine.**

To ensure the self-sufficiency of the Boiler & Elevator Branch.

**d. Criteria or methodology used to determine the amount of the fee or fine (i.e., Consumer Price Index, Inflation rate, etc.).**

DLIR estimated the costs of operating the Branch based on combining the salaries of the inspectors, the salaries of the non-revenue generating staff, and overhead costs like the rent charged by the Department of Accounting & General Services (DAGS), the fringe rate charged to revolving funds, and supplies and services.

The collective bargaining and fringe rate costs have increased substantially since Act 107 (SLH, 2012) created the special fund for the Branch. Revolving funds are required to pay the fringe costs of salaries. The fringe rate was 41.54% in Fiscal Year 2012-13, for Fiscal year 2018-19 the rate is 60.08%: an increase of **45%**. Collective bargaining costs have increased 20.6% and the CPI has increased 10% in the same period.

**3. The probable monetary costs and benefits to the agency or 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.**

DLIR already is experiencing higher costs as described above, especially for the increase in the fringe rate and cumulative collective bargaining increases. The benefit to the agency is that the increased fees will help the Branch remain self-sustaining, recruit and retain staff, which in turn enables timely service to the owners and businesses with elevators and related systems.

**4. 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 other mitigating techniques.**

Most of the changes are in chapters 12-229 and 12-230.1 are housekeeping and do not entail higher costs. The changes in 12-240 reflect directives issued by the previous Director and therefore conform the rules to current policy.

The Branch has adopted the ADA Accessibility Guidelines as standards with modifications via the Director's directives mentioned above. The proposal allows for greater flexibility for the design of elevators, and quite possibly flexibility of matching building decor. For example, the original HAR Chapter 12-240 specifies that hall call buttons to be mounted at forty-two inches above the floor. But by implementing the ICC A117.1-2009 standards, the proposal allows for "approximately forty-two inches" and when forty-two is not possible allows for mounting "between twenty-five (25) and forty-eight (48) inches" This allows owners of elevators flexibility when installing or altering elevators and avoids situations whereby costs are higher due to a strict specific dimensional standard.

**5. The availability and practicability of less restrictive alternatives that could be implemented in lieu of the proposed rules.**

There is no availability or practicability of less restrictive alternatives as the adoption of updated standards and codes is necessary for public safety.

**6. Consideration of creative, innovative, or flexible methods of compliance for small businesses. The businesses that will be directly affected by, bear the costs of, or directly benefit from the proposed rules.**

DLIR did not consider any other means as the fee increases are modest and in line of the Legislature's intent of the Boiler & Elevator Branch operating in a self-sufficient manner.

**7. How the agency involved small business in the development of the proposed rules.**

The department held a meeting with stakeholders from the elevator industry and representatives from the Building Owners and Managers Association (BOMA) on September 5, 2019. Most of the elevator industry representatives and many of the BOMA members are small businesses as defined by the SBRRB statute.

DLIR sent the proposed rules with the invitation to attend the meeting to explain the changes. Twenty-one individuals attended the meeting and there were no recommendations to incorporate any changes to the proposed rules.

- a. **If there were any recommendations made by small business, were the recommendations incorporated into the proposed rule? If yes, explain. If no, why not.**

**8. 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.**

There are no provisions that are more stringent than those mandated by any comparable or related federal, state, or county standards.

**If yes, please provide information comparing the costs and benefits of the proposed rules to the costs and benefits of the comparable federal, state, or county law, including the following:**

- a. **Description of the public purposes to be served by the proposed rule.**
- b. **The text of the related federal, state, or county law, including information about the purposes and applicability of the law.**
- c. **A comparison between the proposed rule and the related federal, state, or county law, including a comparison of their purposes, application, and administration.**
- d. **A comparison of the monetary costs and benefits of the proposed rule with the costs and benefits of imposing or deferring to the related federal, state, or county law, as well as a description of the manner in which any additional fees from the proposed rule will be used.**
- e. **A comparison of the adverse effects on small business imposed by the proposed rule with the adverse effects of the related federal, state, or county law.**

\* \* \*

Small Business Regulatory Review Board / DBEDT  
Phone: (808) 586-2594  
Email: [DBEDT.sbrrb.infoa@hawaii.gov](mailto:DBEDT.sbrrb.infoa@hawaii.gov)

This Statement may be found on the  
SBRRB Website at:  
<http://dbedt.hawaii.gov/sbrrb/resources/small-business-impact-statements>



## Exhibit A

| Salary Schedules | General Increase (%) | Step Movement (%) |
|------------------|----------------------|-------------------|
|                  |                      |                   |
| 2008 to 2013     |                      | 4                 |
| 07/01/2014       | 4                    |                   |
| 2015             |                      | 4                 |
| 01/01/2017       | 1.6                  |                   |
| 07/01/2017       | 2.0                  |                   |
| 01/01/2018       | 1.5                  |                   |
| 07/01/2018       | 2.25                 |                   |
| 09/01/2019       | 1.25                 |                   |
| Total:           | 12.6                 | 8                 |
| Grand Total:     | 20.6                 |                   |

# CPI Inflation Calculator

\$

in

has the same buying power as

in

[Mobile Browser? View full screen.](#)

**Exhibit C**

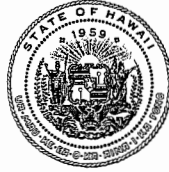
**ELEVATOR FEE COMPARISON CURRENT AND PROPOSED**

| ITEM   | CURRENT      | PROPOSED     | % CHANGE   |
|--|--------------|--------------|------------|
| <b>ALTERATIONS</b>                           |              |              |            |
| Single component                             | \$150        | \$200        | 33%        |
| Cosmetic                                     | \$300        | \$350        | 17%        |
| 1-3 Floors                                   | \$600        | \$630        | 5%         |
| 4-9 Floors                                   | \$650        | \$680        | 5%         |
| 10-19 Floors                                 | \$700        | \$740        | 6%         |
| 20-29 Floors                                 | \$750        | \$790        | 5%         |
| 30-39 Floors                                 | \$800        | \$850        | 6%         |
| 40+ Floors                                   | \$900        | \$950        | 6%         |
| <b>NEW INSTALLATIONS</b>                     |              |              |            |
| Dumbwaiter/material lift                     | \$500        | \$525        | 5%         |
| Escalator/moving walk/moving ramp            | \$500        | \$525        | 5%         |
| Platform lifts/stairway chairlifts           | \$500        | \$525        | 5%         |
| 1-3 Floors                                   | \$600        | \$630        | 5%         |
| 4-9 Floors                                   | \$650        | \$680        | 5%         |
| 10-19 Floors                                 | \$700        | \$740        | 6%         |
| 20-29 Floors                                 | \$750        | \$790        | 5%         |
| 30-39 Floors                                 | \$800        | \$850        | 6%         |
| 40+ Floors                                   | \$900        | \$950        | 6%         |
| Personnel hoists                             | \$450        | \$450        | 0%         |
| Construction car (temporary)                 | \$450        | \$450        | 0%         |
| <b>ADDITIONAL INSPECTIONS</b>                |              |              |            |
| Normal workday < 2 hours                     | \$300        | \$325        | 8%         |
| Normal workday > 2 hours                     | \$600        | \$650        | 8%         |
| Overtime < 2 hours                           | \$600        | \$650        | 8%         |
| Overtime > 2 hours                           | \$1200       | \$1,300      | 8%         |
| Building plan reviews                        | \$200        | \$200        | 0%         |
| <b>PERMIT &amp; RENEWAL INSPECTION FEES</b>  |              |              |            |
| Dumbwaiter/material lift                     | \$150        | \$150        | 0%         |
| Escalator/moving walk/moving ramp            | \$200        | \$225        | 13%        |
| Platform lifts/stairway chairlifts           | \$200        | <b>\$225</b> | <b>13%</b> |
| Hydraulic elevator – holed                   | \$250        | \$275        | 10%        |
| Hydraulic elevator – holeless                | \$250        | \$275        | 10%        |
| Hydraulic elevator – roped holeless          | \$300        | \$325        | 8%         |
| 1-3 Floors                                   | \$225        | \$250        | 11%        |
| 4-9 Floors                                   | \$250        | \$275        | 10%        |
| 10-19 Floors                                 | \$275        | \$300        | 9%         |
|  |              |              |            |
| 20-29 Floors                                 | \$325        | \$350        | 8%         |
| 30-39 Floors                                 | \$400        | \$425        | 6%         |
| 40+ Floors                                   | \$475        | \$500        | 5%         |
| Personnel hoists                             | \$300        | \$300        | 0%         |
| Construction car (temporary)                 | \$300        | \$300        | 0%         |
| Category 3 test                              | <b>\$300</b> | <b>\$325</b> | <b>8%</b>  |
| Category 3 test with safety overspeed valve  | NA           | \$375        | NA         |
| Category 3/5 test <b>for roped hydraulic</b> | NA           | <b>\$425</b> | NA         |
| Category 5 test                              | \$400        | \$425        | 6%         |
| Category 5 test – counterweight              | \$500        | \$525        | 5%         |
| Escalator                                    | \$400        | \$425        | 6%         |

**AVE = 7%**

# Exhibit D-1

NEIL ABERCROMBIE  
GOVERNOR



KALBERT K. YOUNG  
DIRECTOR

LUIS P. SALAVERIA  
DEPUTY DIRECTOR

## STATE OF HAWAII DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF ECONOMIC RECOVERY  
AND REINVESTMENT (ARRA)

July 13, 2012

### FINANCE MEMORANDUM

MEMO NO. 12-10

TO: All Department Heads

FROM: Kalbert K. Young  
Director of Finance

SUBJECT: Fringe Benefit Rates for FY 13

A composite fringe benefit rate (RATE) of 41.54% has been approved by the U.S. Department of Health and Human Services (DHHS) for use during FY 13 (attached). The RATE consists of the following fringe benefit items and computed rates:

| <u>Item</u>               | <u>Rate</u>  |
|---------------------------|--------------|
| Pension Accumulation      | 15.50%       |
| Pension Administration    | .01%         |
| Retiree Health Insurance  | 10.35%       |
| Employees' Health Fund    | 6.84%        |
| Workers' Compensation     | .88%         |
| Unemployment Compensation | .31%         |
| Social Security           | 6.20%        |
| Medicare                  | <u>1.45%</u> |
| Composite Rate            | 41.54%       |

The RATE will be formally published when the Statewide Central Services Cost Allocation Plan for FY 13 is approved by DHHS.

Because we are already in the first quarter of FY 13, the approved rate is being transmitted to you for your information and records. It is noted that for FY 13, the pension accumulation rate is 22.0% for police officers, firefighters, and corrections officers, and 15.5% for all other employees, as set by Act 163, SLH 2011. Until new RATES are approved, the approved RATE for FY 13 will be in effect.

Should you have any questions or require further information, please contact me, or your staff may contact Mr. Neal Miyahira, Administrator of this department's Budget, Program Planning and Management Division, at 586-1530.

Attachment

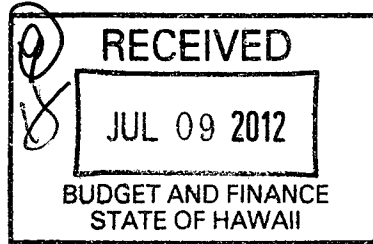


DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Service  
Division of Cost Allocation

DCA Western Field Office  
90 7th Street, Suite 4-600  
San Francisco, CA 94103

Kalbert K. Young  
Director of Finance  
Hawaii Department of Budget and Finance  
P.O. Box 150  
Honolulu, HI 96810-0150



JUL 06 2012

Dear Mr. Young:

Based on the State of Hawaii's Fringe Benefits Rates Proposal for the fiscal year ending June 30, 2013, a composite fringe benefit rate of 41.54% is approved. The proposal submitted by the State's consultant, William Maus of MAXIMUS, was transmitted on June 24, 2012. The following assessment rates should be used for the period beginning July 1, 2012:

|                           | (a)    | (b)   |
|---------------------------|--------|-------|
| Pension Accumulation      | 15.50% |       |
| Pension Administration    | 0.01%  |       |
| Social Security           | 6.20%  |       |
| Medicare                  | 1.45%  |       |
| Retiree Health Insurance  | 10.35% |       |
| Worker's Compensation     |        | 0.88% |
| Unemployment Compensation |        | 0.31% |

(a) Percent of ERS covered wages.

(b) Percent of total wages in assessed departments including Research Corporation of University of Hawaii (RCUH).

The above rates will be published with your negotiated State-wide Cost Allocation Plan agreement for fiscal year 2013.

Sincerely,  
  
Arif Karim, Director  
Division of Cost Allocation

## Exhibit A

| Salary Schedules | General Increase (%) | Step Movement (%) |
|------------------|----------------------|-------------------|
|                  |                      |                   |
| 2008 to 2013     |                      | 4                 |
| 07/01/2014       | 4                    |                   |
| 2015             |                      | 4                 |
| 01/01/2017       | 1.6                  |                   |
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| 07/01/2018       | 2.25                 |                   |
| 09/01/2019       | 1.25                 |                   |
| Total:           | 12.6                 | 8                 |
| Grand Total:     | 20.6                 |                   |

# CPI Inflation Calculator

\$

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has the same buying power as

in

[Mobile Browser? View full screen.](#)



**Exhibit C**

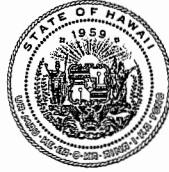
**ELEVATOR FEE COMPARISON CURRENT AND PROPOSED**

| <b>ITEM</b>                                  | <b>CURRENT</b> | <b>PROPOSED</b> | <b>%<br/>CHANGE</b> |
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| <b>ALTERATIONS</b>                           |                |                 |                     |
| Single component                             | \$150          | \$200           | 33%                 |
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| Escalator                                    | \$400          | \$425           | 6%                  |

**AVE = 7%**

# Exhibit D-1

NEIL ABERCROMBIE  
GOVERNOR



KALBERT K. YOUNG  
DIRECTOR

LUIS P. SALAVERIA  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF ECONOMIC RECOVERY  
AND REINVESTMENT (ARRA)

July 13, 2012

## FINANCE MEMORANDUM

MEMO NO. 12-10

TO: All Department Heads

FROM: Kalbert K. Young  
Director of Finance

SUBJECT: Fringe Benefit Rates for FY 13

A composite fringe benefit rate (RATE) of 41.54% has been approved by the U.S. Department of Health and Human Services (DHHS) for use during FY 13 (attached). The RATE consists of the following fringe benefit items and computed rates:

| <u>Item</u>               | <u>Rate</u>  |
|---------------------------|--------------|
| Pension Accumulation      | 15.50%       |
| Pension Administration    | .01%         |
| Retiree Health Insurance  | 10.35%       |
| Employees' Health Fund    | 6.84%        |
| Workers' Compensation     | .88%         |
| Unemployment Compensation | .31%         |
| Social Security           | 6.20%        |
| Medicare                  | <u>1.45%</u> |
| Composite Rate            | 41.54%       |

The RATE will be formally published when the Statewide Central Services Cost Allocation Plan for FY 13 is approved by DHHS.

Because we are already in the first quarter of FY 13, the approved rate is being transmitted to you for your information and records. It is noted that for FY 13, the pension accumulation rate is 22.0% for police officers, firefighters, and corrections officers, and 15.5% for all other employees, as set by Act 163, SLH 2011. Until new RATES are approved, the approved RATE for FY 13 will be in effect.

Should you have any questions or require further information, please contact me, or your staff may contact Mr. Neal Miyahira, Administrator of this department's Budget, Program Planning and Management Division, at 586-1530.

Attachment

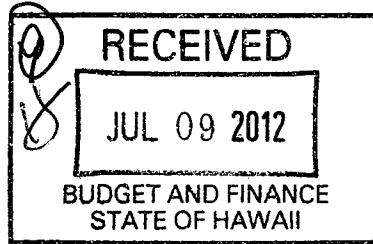


DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Service  
Division of Cost Allocation

DCA Western Field Office  
90 7th Street, Suite 4-600  
San Francisco, CA 94103

Kalbert K. Young  
Director of Finance  
Hawaii Department of Budget and Finance  
P.O. Box 150  
Honolulu, HI 96810-0150



JUL 06 2012

Dear Mr. Young:

Based on the State of Hawaii's Fringe Benefits Rates Proposal for the fiscal year ending June 30, 2013, a composite fringe benefit rate of 41.54% is approved. The proposal submitted by the State's consultant, William Maus of MAXIMUS, was transmitted on June 24, 2012. The following assessment rates should be used for the period beginning July 1, 2012:

|                           | (a)    | (b)   |
|---------------------------|--------|-------|
| Pension Accumulation      | 15.50% |       |
| Pension Administration    | 0.01%  |       |
| Social Security           | 6.20%  |       |
| Medicare                  | 1.45%  |       |
| Retiree Health Insurance  | 10.35% |       |
| Worker's Compensation     |        | 0.88% |
| Unemployment Compensation |        | 0.31% |

(a) Percent of ERS covered wages.

(b) Percent of total wages in assessed departments including Research Corporation of University of Hawaii (RCUH).

The above rates will be published with your negotiated State-wide Cost Allocation Plan agreement for fiscal year 2013.

Sincerely,

Arif Karim, Director  
Division of Cost Allocation

DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

July 19, 2018

FINANCE MEMORANDUM

MEMO NO. 18-12

TO: All Department Heads

FROM: Laurel A. Johnston  
Director of Finance

SUBJECT: Approved Fringe Benefit Rate for FY 18 and Revised Interim Fringe Benefit Rate for FY 19

A composite fringe benefit rate (RATE) of 59.08% has been approved by the U.S. Department of Health and Human Services (DHHS) for FY 18 (attached). Based on the approved FY 18 RATE, the interim FY 19 RATE has been revised. Until new fringe benefit rates are approved by DHHS, the following revised interim fringe benefit rates for FY 19 will be in effect:

|                                | <u>Approved<br/>FY 18 Rate</u> | <u>Interim<br/>FY 19 Rate</u> | <u>Revised Interim<br/>FY 19 Rate</u> |
|--------------------------------|--------------------------------|-------------------------------|---------------------------------------|
| Pension Accumulation           | 18.00%                         | 19.00%                        | 19.00%                                |
| Pension Administration         | 0.01%                          | 0.00%                         | 0.01%                                 |
| Retiree Health Insurance       | 10.14%                         | 9.39%                         | 10.14%                                |
| Employees' Health Fund*        | 7.69%                          | 7.60%                         | 7.69%                                 |
| Workers' Compensation          | 1.24%                          | 1.06%                         | 1.24%                                 |
| Unemployment Compensation      | 0.02%                          | 0.09%                         | 0.02%                                 |
| Social Security                | 6.20%                          | 6.20%                         | 6.20%                                 |
| Medicare                       | 1.45%                          | 1.45%                         | 1.45%                                 |
| Other Post-Employment Benefits | <u>14.33%</u>                  | <u>12.69%</u>                 | <u>14.33%</u>                         |
| Composite Rate                 | 59.08%                         | 57.48%                        | 60.08%                                |

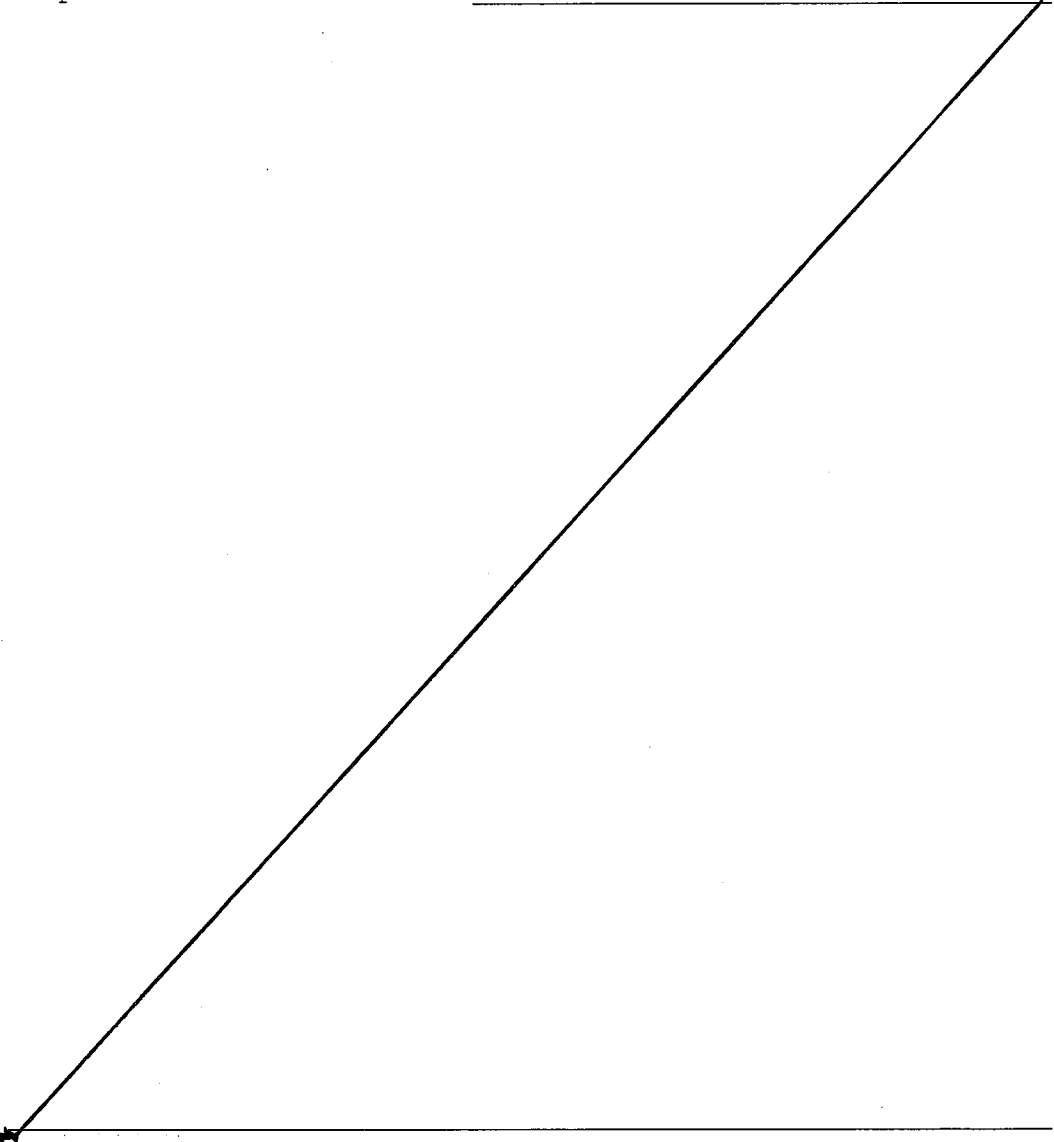
\*Should only be used for budgeting purposes. Departments are instructed to charge actual costs as assessed through the payroll system.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

Amendment and Compilation of Chapters 12-229, 12-230.1,  
and 12-240 Hawaii Administrative Rules

(Effective Date)

1. Chapter 12-229, Hawaii Administrative Rules, entitled  
"General, Administrative, and Legal Provisions", is amended and  
compiled to read as follows: \_\_\_\_\_



"HAWAII ADMINISTRATIVE RULES

TITLE 12

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

SUBTITLE 8

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH

PART 11

ELEVATORS AND RELATED SYSTEMS

CHAPTER 229

GENERAL, ADMINISTRATIVE, AND LEGAL PROVISIONS

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Historical Note: Chapter 12-229 is based substantially on chapter 12-241, Hawaii Administrative Rules. [Eff 7/6/98; R 6/19/00]

**§12-229-1 Scope and application.** This part contains general and administrative rules and legal provisions which apply to this part. This part applies to all elevators, escalators, moving walks, dumbwaiters, material lifts, lifts for the mobility impaired, personnel hoists, and amusement rides in the State, with the following exceptions:

- (1) Equipment or apparatus installed in private residences provided the equipment or apparatus is not accessible to the ~~general~~ public or to other occupants in the building;
- (2) Coin or token operated amusement rides considered or known in the amusement trade as kiddie rides;
- (3) Material hoists used to raise or lower materials during construction, alteration or demolition. (within the scope of ANSI A10.5); and
- (4) Equipment or apparatus installed in buildings or structures wholly owned and operated by the United States government.



[Eff 6/19/00; am and comp 6/30/14; comp  
11/10/2016; am and  
comp ] (Auth: HRS §394-4)  
(Imp: HRS §397-4)

**§12-229-2 Definitions.** As used in this part:

"Alteration" means any change to equipment, including parts, components, or subsystems other than maintenance, repair, or replacement.

"Amusement ride" means a mechanically or electrically operated device designed to carry passengers in various modes and used for entertainment and amusement.

"ANSI" means the American National Standards Institute.

"ANSI/American Society of Safety Engineers A10.4" means ANSI/ASSE, Personnel Hoists and Employee Elevators on Construction and Demolition Sites, as adopted and incorporated by reference in section 12-229-3.1.

"Appeals board" means the labor and industrial relations appeals board, department of labor and industrial relations.

"Approved" means approved by the department.

"Appurtenance" means a device installed on and used in the normal operation of an elevator, escalator, or kindred equipment.

"ASME" means American Society of Mechanical Engineers.

"ASME A17.1" means ASME A17.1, Safety Code for Elevators and Escalators, as adopted and incorporated by reference in section 12-229-3.1.

"ASME A17.3" means ASME A17.3, Safety Code for Existing Elevators and Escalators, as adopted and incorporated by reference in section 12-229-3.1.

"ASME A17.6" means ASME A17.6, Standard for Elevator Suspension, Compensation and Governor Systems, as adopted and incorporated by reference in section 12-229-3.1.

"ASME A18.1" means ASME A18.1, Safety Standard for Platform Lifts and Stairway

Chairlifts, as adopted and incorporated by reference in section 12-229-3.1.

"ASTM" means American Society for Testing and Materials.

"ASTM-F24" means ASTM-F24 1997 standard on amusement rides and devices.

"Attorney general" means the attorney general of the State of Hawaii or any of the attorney general's deputies.

"Authority Having Jurisdiction" or "AHJ", means the director of labor and industrial relations or the director's designee.

"Authorized inspection agency" means the department of labor and industrial relations, elevator inspection section.

"Building code" means the currently adopted, applicable county code in the revised ordinances of the applicable county, or the code adopted by the State of Hawaii for state buildings.

"Certificate of competency" means a certificate issued to a person who has passed the examination prescribed by the director.

"Contractor" means any person, firm, or corporation installing, repairing, or servicing any amusement ride, elevator, or kindred equipment or structure inspected pursuant to chapter 397, HRS.

"Department" means the department of labor and industrial relations, State of Hawaii.

"Director" means the director of the department of labor and industrial relations or the director's designee.

"Discrepancy" means the non-conformance to codes, standards, rules, or regulations required by this part.

"Division" means the Hawaii occupational safety [~~&~~] and health, department of labor and industrial relations, State of Hawaii.

"Elevator" means a hoisting and lowering mechanism equipped with a car that moves within guides and serves two or more fixed landings, and is classified by elevator types as described in ASME A17.1, as adopted and incorporated by reference in section 12-229-3.1.

"Elevators and related systems" means elevators and kindred equipment and amusement rides.

"Existing installation" means any device or equipment where the application for the installation was properly filed with the department before the effective date of this chapter.

"HAW" means the registration number assigned to an elevator and kindred equipment or amusement ride by the AHJ.

"Hawaii Revised Statutes" or "HRS" means laws enacted by the Hawaii state legislature.

"IBC" means the International Building Code, as adopted and incorporated by reference in section 12-229-3.1.

"Installation" means a complete elevator or kindred equipment, including its hoistway, hoistway enclosures and related construction, and all machinery and equipment necessary for its operation.

"Installation or alteration permit" means a document, which may be electronic, issued by the department authorizing the installation or alteration of an elevator or kindred equipment, or the department approval of a new amusement ride.

"Kindred equipment" means escalators, moving walks, dumbwaiters, permanently installed material lifts, platform lifts, inclined lifts, stage lifts, stairway chairlifts, personnel hoists, and any other similar mechanized equipment used to convey people in places other than a public right-of-way, but does not include amusement rides.

"May" means not mandatory.

"New installation" means any device or equipment that is not an existing installation or an existing installation that is being relocated.

"NFPA" means the National Fire Protection Association.

"NFPA 1, UFC" means the NFPA 1, Uniform Fire Code, as adopted and incorporated by reference in section 12-229-3.1.

"NFPA 70" means NFPA 70, National Electrical Code, as adopted and incorporated by reference in section 12-229-3.1.

"Operating permit" means a permit issued by the department authorizing the operation of an elevator, kindred equipment, or amusement ride.

"Order" means a command to perform a mandatory act issued by the department.

"Overtime" means hours outside a regular eight-hour working day.

"Owner" means any person, firm, or corporation with legal title to any amusement ride, and elevator and kindred equipment inspected pursuant to chapter 397, HRS.

"Permit to operate" means a document, which may be electronic, issued by the department authorizing the operation of an elevator, kindred equipment, or an amusement ride.

"Qualified elevator inspector" means an elevator inspector employed by the department holding a valid certificate of competency issued by the department and a Qualified Elevator Inspector certification that meets the criteria of the American Society of Mechanical Engineers and the standards for the qualification of elevator inspectors of the American National Standards Institute. The certificate of competency is valid only while the inspector is employed by the department.

"Regular operating permit" means an operating permit that is not indicated as temporary.

"Shall" means mandatory.

"Unsafe" means potential exposure to a recognized hazard.

"Violation" means the failure to comply with any citation, notice, or order of the department, or rule or standard promulgated under chapter 397, HRS. [Eff 6/19/00; am and comp 6/30/14; am and comp 11/10/16; am and comp ]  
(Auth: HRS §§397-4, 397-6) (Imp: HRS §§397-4, 397-6)

**§12-229-3 REPEALED.** [R 6/30/14]

**§12-229-3.1 Codes incorporated and adopted by reference.** The following codes are incorporated and adopted by reference and made a part of this chapter and shall apply to elevators, kindred equipment, and amusement rides in this part, unless otherwise modified by the rules pertaining

to elevators, kindred equipment, and amusement rides[-]:

- (1) ANSI/ASSE A10.4-2007, Personnel Hoists and Employee Elevators on Construction and Demolition Sites, as copyrighted and published in 2007 by American National Standards Institute, Inc., 25 West 43<sup>rd</sup> Street, New York, NY 10036[-];
- (2) ASME A17.1-2010/CSA-B44-10, Safety Code for Elevators and Escalators, as copyrighted and published in 2010 by the American Society of Mechanical Engineers, Three Park Avenue, New York, NY 10016-5990[-];
- (3) ASME A17.3-2011, Safety Code for Existing Elevators and Escalators, as copyrighted and published in 2011 by the American Society of Mechanical Engineers, Three Park Avenue, New York, NY 10016-5990[-];
- (4) ASME A17.5-2011, Elevator and Escalator Electrical Equipment, as copyrighted and published in 2011 by the American Society of Mechanical Engineers, Three Park Avenue, New York, NY 10016-5990[-];
- (5) ASME A17.6-2010, Standard for Elevator Suspension, Compensation and Governor Systems, as copyrighted and published in 2010 by the American Society of Mechanical Engineers, Three Park Avenue, New York, NY 10016-5990[-];
- (6) ASME A18.1-2011, Safety Standard for Platform Lifts and Stairway Chairlifts, as copyrighted and published in 2011 by the American Society of Mechanical Engineers, Three Park Avenue, New York, NY 10016-5990[-];
- (7) International Building Code, 2012 edition, as copyrighted and published in 2012 by the International Code Council, Incorporated, 500 New Jersey Avenue, 6<sup>th</sup> Floor, Washington, DC 20001[-];
- (8) ICC A117.1-2009, Accessible and Usable Buildings and Facilities, as copyrighted and published in 2010 by the International Code Council,

- Incorporated, 500 New Jersey Avenue, NW,  
6<sup>th</sup> Floor, Washington, DC 20001[-];
- (9) NFPA 1, Uniform Fire Code, 2009 Edition,  
as copyrighted and published in 2009 by  
the National Fire Protection  
Association, 1 Batterymarch Park,  
Quincy, MA 02269-7471[-];
  - (10) NFPA 72, National Fire Alarm and  
Signaling Code, 2010 edition, as  
copyrighted and published in 2010 by the  
National Fire Protection Association, 1  
Batterymarch Park, Quincy, MA 02269-  
7471[-];
  - (11) NFPA 13, Standard for the Installation  
of  
Sprinkler Systems, 2010 edition, as  
copyrighted and published in 2010 by the  
National Fire Protection Association, 1  
Batterymarch Park, Quincy, MA 02269-  
7471[-]; and
  - (12) NFPA 70, National Electrical Code, 2011  
edition, as published in 2011 by the  
National Fire Protection Association, 1  
Batterymarch Park, Quincy, MA 02269-  
7471. [Eff and comp 6/30/14; comp  
11/10/16; am and comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-4 REPEALED.** [R 6/30/14]

**§12-229-4.1 Installation and alteration permits.**

(a) No person shall install, construct, reconstruct, relocate, or make an alteration to any elevator, kindred equipment, or amusement ride subject to this part without first obtaining an installation or alteration permit from the department.

The owner shall be responsible for contracting the work with a licensed elevator contractor, and shall ensure that the contractor obtains all permits and inspections required by this part. The contractor shall be responsible for the safe

operation of equipment during the installation, alteration, or relocation, until a permit to operate has been issued by the department.

An amusement ride owner shall register the new apparatus or an alteration by submitting an application for review and registration.

An application on a form provided by the department shall be submitted and approved prior to commencement of work. The application shall include:

- (1) Applicant's name (elevator contractor licensed to perform the work), business address and license number, expiration date of the license, name and contact information of the licensed mechanic or supervisor in charge of the work;
- (2) Building name and complete address, including island and zip code, of the installation or alteration;
- (3) The name and complete address of the legal owner of the elevator, kindred equipment, or amusement ride;
- (4) The anticipated start date of the installation or alteration and the anticipated completion date;
- (5) The type of equipment to be installed or altered, manufacturer of equipment, maximum rise and number of floors;
- (6) The plans and specifications for installation or alteration of elevators and kindred equipment together with the building details that are pertinent to the installation;
- (7) Copies of engineering data, tests, and laboratory reports, and any other pertinent information deemed necessary by the department;
- (8) For amusement rides, the application to review, approve, and register the new apparatus shall be submitted on a form authorized by the department and shall include manufacturers' drawings, and engineering and test data; and

(9) Any other information indicated as required by the application.

(b) Applications to install, alter, or register must be accompanied by the payment of the appropriate installation or alteration processing fee for each conveyance subject to this part as per the schedules in Exhibit A, titled "Elevator and Kindred Equipment Installation and Alteration Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter, and Exhibit B, titled "Elevator and Kindred Equipment Inspection Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter.

(1) Refunds of the initial installation or alteration processing fee minus the department's cost to review the application thus far may be refunded upon written or electronic request to the department. A refund of the initial installation or alteration processing fee may be granted upon satisfactory showing that the withdrawal or amendment of the application was due to circumstances beyond the control of the applicant~~[-]~~; and

(2) No refunds will be issued for expired permits.

(c) Only a person who is licensed to engage in the business of installing or repairing elevators and kindred equipment by the contractors license board of the Hawaii department of commerce and consumer affairs may apply for an installation permit or alteration permit, except the application to install a personnel hoist may be made by a licensed construction contractor and the application to register an amusement ride may be made by the owner.

(d) All alteration work on elevators and kindred equipment requires an alteration permit prior to the work being performed. Alteration work includes:



- (1) All alterations to elevators and kindred equipment as described in ASME A17.1, section 8.7; [~~and~~]
- (2) Any alteration that requires the equipment or conveyance to be tested by the department prior to being returned to service, including:
  - (A) The replacement or repair of any part or parts that would require recalibration or testing per ASME A17.1, section 8.7; or
  - (B) Work performed on components or equipment affecting or necessary for fire safety (e.g., cab interiors, systems associated with fire recall, etc.); and
- (3) Any alteration, renovation, or change to the original design of the car's interior.

(e) The application shall be deemed approved if not acted on by the department within thirty calendar days following the receipt of the completed application. The maximum period of time for the department to act on an application for installation or alteration established pursuant to this section shall be extended in the event of a national disaster, state emergency, or union strike that would prevent the applicant or the department from fulfilling application review requirements until the time the emergency conditions improve or are reasonably under control.

(f) Installation or alteration permits issued by the department shall be posted in a conspicuous place on the jobsite near the elevator, kindred equipment, or amusement ride prior to the start of any work being done. They shall remain posted until the department has witnessed all acceptance tests and issued an operating permit for the elevator or kindred equipment.

(g) Installation or alteration permits shall expire within one year of the issuance date if the installation or alteration work described on the application has not yet commenced. Otherwise, the permit is valid for a period of three years.

(h) All new elevators and kindred equipment shall have the Hawaii registration number (HAW) assigned by the department painted on or permanently attached to both the car top crosshead and the controller. The owner is responsible for having the HAW number painted on or attached to the device or equipment, and ensuring that the number remains legible. [Eff and comp 6/30/14; am and comp 11/10/16; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-5 REPEALED.** [R 6/30/14]

**§12-229-5.1 Permits to operate.** (a) The department shall issue a "permit to operate" for any elevator, kindred equipment, or amusement ride where the inspection and tests required by the department show that the equipment has been designed and installed in accordance with the requirements of chapter 397, HRS, and its related rules, and are in compliance with this part. It shall be a violation for any person, firm, association, partnership, or corporation to operate an elevator, kindred equipment, or amusement ride regulated by this part unless a permit for the operation has been issued by the department and the permit remains in effect.

(b) A permit to operate an elevator or related systems shall be issued only after a qualified inspector has determined that the equipment, device, or apparatus meets all applicable requirements of this part. A permit to operate elevators or related systems shall be valid per the schedules in Exhibit C, titled "Inspection and Test Intervals (In Months)", dated January 1, 2017, which is made a part of this chapter and located at the end of this chapter, unless revoked sooner, and may be renewed only upon satisfactory completion of an inspection by a qualified inspector. A valid permit may be extended for cause by the department if so requested in writing by the owner or contractor prior to the expiration date.

(c) The owner, or the owner's duly appointed agent, shall be responsible for:

- (1) The safe operation and proper maintenance of elevators and related systems after the installation or alteration has been approved and an initial permit to operate has been issued;
- (2) Conducting all periodic or maintenance tests required by this part;
- (3) Arranging for inspections of closed buildings and not readily accessible elevators and related systems by qualified inspectors. Elevators and kindred equipment not inspected as a result of the owner's failure to provide convenient access shall be considered removed from service and shall comply with section 12-229-7.1(b) (4); and
- (4) Requesting and scheduling with the department all safety tests in accordance with the schedule in Exhibit C, titled "Inspection and Test Intervals (In Months)", dated January 1, 2017, which is made a part of this chapter and located at the end of this chapter.

(d) The permit to operate shall indicate the type of equipment for which it is issued. In the case of elevators and kindred equipment, the permit shall state whether it is passenger or freight, and the rated load and speed for the elevator, dumbwaiter, escalator, or moving walk. For new or altered elevators, after the effective date of these rules, a copy of the permit to operate shall be posted conspicuously in the car of the elevator, and on or near the dumbwaiter, escalator, moving walk, or other kindred equipment.

(e) The department may immediately revoke any permit to operate for any equipment required to be inspected by this chapter that is found to be in an unsafe condition; or when an owner or contractor fails to comply with a department order to correct specific defects or hazards and continues to use or operate the equipment, device, or apparatus without abating the hazards or defects. The department shall reissue a permit to operate when a subsequent inspection by a qualified inspector finds that the

hazardous condition has been corrected or when the department receives documentation that the noncompliant item has been abated.

(f) Exhibit C, titled "Inspection and Test Intervals (In Months)", dated January 1, 2017, which is made a part of this chapter and located at the end of this chapter, establishes the required maximum intervals for the periodic reinspection and renewal of the permits to operate. The department may require that specific equipment be re-inspected more frequently if conditions found during an inspection require closer or more frequent monitoring to ensure its safe operation.

(g) The department may provide for the issuance of a temporary permit to operate while any noncomplying elevator or kindred equipment is being brought into full compliance with chapter 397, HRS.

(h) The owner or contractor may petition the department for additional time to correct any discrepancy or violation by submitting a request in writing by no later than the correction due date or the expiration date of the temporary permit, whichever is applicable, and shall include:

- (1) Specific additional time needed;
- (2) Efforts made to date to effect correction; and
- (3) Any interim steps or actions taken to ensure the safe operation of the equipment, device, or apparatus.

(i) No elevator, kindred equipment, or amusement ride that is required to be inspected pursuant to chapter 397, HRS, shall be operated except as necessary to install, repair, or test the elevator, kindred equipment, or amusement ride unless a permit to operate has been issued by the department and remains valid. [Eff and comp 6/30/14; am and comp 11/10/16; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-6 REPEALED.** [R 6/30/14]

**§12-229-6.1 Fees.** (a) Departmental inspection fees. The department shall collect from the owner or contractor, the fee listed in the schedules in Exhibit A, titled "Elevator and Kindred Equipment Installation and Alteration Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter, and Exhibit B, titled "Elevator and Kindred Equipment Inspection Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter, for each inspection made by a qualified inspector. The following shall apply to departmental inspection fees:

- (1) The fees for scheduled inspections delayed or canceled by the requester, shall be charged to the requester in accordance with the scheduled fee for the type of inspection scheduled; however, if the notice of cancellation or delay of the scheduled inspection is provided at least forty-eight hours prior to the scheduled date and time, not counting weekends and state holidays, no additional fee will be charged. A delayed inspection includes situations where the equipment is not ready for the inspection or the requester is not ready to conduct the required tests within one hour of the scheduled date and time~~[-]~~;
- (2) Where an inspection must be re-scheduled due to untimely notification of delay or cancellation, the appropriate inspection fee must be paid prior to the re-scheduling of the inspection~~[-]~~;
- (3) Permit renewal and witness fees are per inspection, which may constitute one day or part of the day. If the inspector is required or requested to return on another day or at another time on the same day, additional fees shall be assessed at the rate of [~~\$300~~] \$325 per day for up to two hours and [~~\$600~~] \$650 per day for more than two hours. Fees for overtime hours shall be [~~\$600~~] \$650 per day for up to two

hours and [~~\$1,200~~] \$1,300 per day for more than two hours.

- (4) When a special or dedicated inspection is made at the request of the owner, contractor, or vendor, the sum of expenses incurred shall be charged in addition to the inspection fee~~[-]~~;
- (5) Whenever the requester of an inspection fails to pay the fees required pursuant to this section within sixty days after notification, the requester shall pay, in addition to the fees required, a penalty equal to fifty [~~per cent~~] percent of the fee. For the purpose of this section, the date of invoice shall be considered the date of notification. For online inspection requests, fees must be paid at the time of the request, except for additional fees for special, dedicated, return, or overtime inspections for which the amount owed could not be determined in advance. In such cases, the requester shall be invoiced by the department~~[-]~~;
- (6) Departmental reports of inspections for which expenses must be added to the basic fee shall be accompanied by an itemized account of the inspections made and the expenses incurred~~[-]~~;
- (7) For elevators that have considerable rise but few openings, such as observation or deep well elevators, each ten feet of vertical rise shall be considered one floor in determining installation permit fees~~[-]~~; and
- (8) The department shall charge and collect the fee listed in Exhibit B, titled "Elevator and Kindred Equipment Inspection Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter, for each category 3 or 5, or internal escalator inspection, witnessed by qualified inspectors of the department during regular working hours. If the inspector is required or requested to return on another day or at another time

on the same day, additional fees shall be assessed at the rate of [~~\$300~~] \$325 per day for up to two hours and [~~\$600~~] \$650 per day for more than two hours. Fees for overtime hours shall be [~~\$600~~] \$650 per day for up to two hours and [~~\$1,200~~] \$1,300 per day for more than two hours.

(b) Departmental installation and alteration permit and test fees. The following shall apply to installation, alteration, and test fees:

- (1) The department, before accepting an application for installing, constructing, re-constructing, or relocating an elevator or a related system, shall charge and collect a fee for each object in accordance with Exhibit A, titled "Elevator and Kindred Equipment Installation and Alteration Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter[~~-~~];
- (2) The department, before accepting an application for an alteration, shall charge and collect a fee for each object in accordance with Exhibit A, titled "Elevator and Kindred Equipment Installation and Alteration Fees", dated [~~January 1, 2017,~~] January 1, 2019, which is made a part of this chapter and located at the end of this chapter. For online applications, fees must be paid electronically at the time of the application. Any transaction failure shall void the application[~~-~~];
- (3) For each instance requiring an installation or alteration permit fee, the department shall provide the final installation drawing review, inspection and witnessing of the initial acceptance test on the installation, any resulting permit to operate, and one additional follow-up inspection per permit, and the follow-up inspection shall be at the convenience of the department[~~-~~];
- (4) Fees in accordance with Exhibit A, titled "Elevator and Kindred Equipment

- Installation and Alteration Fees", dated ~~[January 1, 2017]~~ January 1, 2019, which is made a part of this chapter and located at the end of this chapter, or the fee in effect on the application submittal date shall be charged and collected for all applications for installation or alteration permits~~[-]~~;
- (5) For each instance requiring a building plan review, the department shall charge a fee in accordance with Exhibit A, titled "Elevator and Kindred Equipment Installation and Alteration Fees", dated ~~[January 1, 2017,]~~ January 1, 2019, which is made a part of this chapter and located at the end of this chapter.
- (6) For additional follow-up inspections for final acceptance, the fee shall be ~~[\$300]~~ \$325 per day for up to two hours and ~~[\$600]~~ \$650 per day for more than two hours if during the normal workday. Fees for overtime hours shall be ~~[\$600]~~ \$650 per day for up to two hours and ~~[\$1,200]~~ \$1,300 per day for more than two hours~~[-]~~; and
- (7) For elevators that have considerable rise but few openings, such as observation or deep well elevators, each ten feet of vertical rise shall be considered one floor in determining installation permit fees.
- (c) Amusement rides, fees. The following shall apply to amusement ride fees:
- (1) The fee for an inspection of an amusement ride shall be \$200~~[-]~~;
- (2) Inspections, for which a fee is to be charged, shall include, but are not limited to:
- (A) A reinspection of a ride at a site to allow it to operate at that site after the ride was found at an earlier inspection to be unsafe;
- (B) An inspection made at a site after being unable to complete an earlier inspection at that site due to delay within the control of the requester;



- (C) A permit to operate; and
  - (D) Scheduled inspections delayed or canceled by the requester where notification was provided to the department less than forty-eight hours prior to the scheduled inspection date and time (not including weekends and state holidays) ~~[ ]~~;
- (3) When an unscheduled inspection is made at the request of the owner or contractor, the sum of expenses incurred shall be charged in addition to the inspection fee ~~[ ]~~;
- (4) For additional follow-up inspections for final acceptance, the fee shall be \$300 per day for up to two hours and \$600 per day for more than two hours if during the normal workday. Fees for overtime hours shall be \$600 per day for up to two hours and \$1,200 per day for more than two hours ~~[ ]~~; and
- (5) Whenever the requester fails to pay the fees required under this section within sixty days after notification, the requester shall pay, in addition to the fees required, a penalty equal to fifty ~~[per cent]~~ percent of the fee. For the purpose of this section, the date of invoice shall be considered the date of notification. For online inspection requests, fees must be paid at the time of the request, except for additional fees for unscheduled, return, or overtime inspections, which will be invoiced to the requester. [Eff and comp 6/30/14; am and comp 11/10/16; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-5)

**§12-229-7 REPEALED.** [R 6/30/14]

**§12-229-7.1 Inspections and tests.** (a) The department shall inspect to ensure compliance with chapter 397, HRS, any activity related to the erection, construction, alteration, demolition, or maintenance of buildings, structures, bridges, highways, roadways, dams, tunnels, sewers, underground buildings or structures, underground pipelines or ducts, and other construction projects or facilities containing elevators or kindred equipment.

(b) Elevators and kindred equipment. The following shall apply to inspections and tests:

- (1) All permit renewal inspections and witnessing of tests of elevators or kindred equipment as required under this chapter shall be performed by qualified inspectors employed by the department[-];
- (2) Where notations of discrepancies, recommendations, or requirements are made, these notations shall refer to the applicable code, rule, or standard[-];
- (3) Elevator or kindred equipment regulated under this part shall be inspected and tested in accordance with the schedule in Exhibit C, titled "Inspection and Test Intervals (In Months)", dated January 1, 2017, which is made a part of this chapter and located at the end of this chapter[-];
  - (A) Internal inspections of escalators and moving walks shall be performed at intervals of thirty-six months[-];
  - (B) Personnel hoists shall be load tested at intervals of three months[-];
  - (C) The category 3 test [~~may be waived or the~~] shall be performed on all holed and holeless hydraulic elevator systems. The interval may be extended at the discretion of the department for those hydraulic elevator installations such as holeless hydraulic elevators in which all components are readily accessible for visual inspection[-]; and
  - (D) The period between inspections may be extended by the department for cause. A written application by the owner

must be received by the department prior to the expiration date for review[-];

- (4) Any elevator or kindred equipment that is out of service and not continuously maintained for a period exceeding one year or has not been inspected in accordance with ~~[paragraph]~~ (3) shall be taken out of service by the owner by complying with the following:
  - (A) Car and counterweight (if any) shall be landed at the bottom of the hoistway and hoisting ropes shall be disconnected at both ends[-]. For hydraulic driven elevators and hydraulic driven kindred equipment, the car shall be lowered to the bottom of the hoistway, oil line disconnected with partial or total oil supply line removal, and oil removed from the tank reservoir;
  - (B) All electric power shall be removed by disconnecting and removing the power feeders; and
  - (C) All hoistway entrances or escalator entrances and exits shall be permanently blocked or barricaded to prevent inadvertent entry. The owner or the owner's agent shall submit a certification that the unit has been properly taken out of service as indicated in this paragraph, on a form provided by the department. Prior to placing the elevator or kindred equipment back in service, the department shall be notified and an inspection made[-];
- (5) While conducting tests and inspections required by section 12-229-5.1 for acceptance of new elevators for load testing of elevators, a positive means of communication, such as a walkie-talkie system, between the various testing and witnessing personnel shall be furnished by the elevator maintenance company performing the test or inspection.

(c) Amusement rides. The following shall apply to amusement rides:

- (1) The department shall inspect and witness load tests, in accordance with ASTM-F24 and chapter 12-250 at least semi-annually, for all amusement rides at a carnival, circus, fair, amusement park, or other public venue, for protecting the safety of the public[-];
- (2) After the initial inspection, each amusement ride shall be inspected as often as necessary to ensure safe operation but not less than twice annually at intervals of not less than five months nor greater than seven months[-];
- (3) If the department finds, upon inspection, that an amusement ride is in a safe operating condition and meets with the requirements of this chapter and chapter 12-250, the department shall affix to the ride in a prominent location a permit to operate bearing upon its face the date of the inspection and the permit expiration date[-]; and
- (4) No ride shall be operated unless it has affixed to it a current permit to operate. [Eff and comp 6/30/14; am and comp 11/10/16; am and comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-8 REPEALED.** [R 6/30/14]

**§12-229-8.1 Rights and enforcement.** (a)

Rights.

- (1) Authorized representatives of the director may enter without delay during regular working hours and at other reasonable times, any place, establishment, or premises in which are located amusement rides, or elevators and kindred equipment requiring inspection pursuant to chapter 397, HRS[-];

- (2) The department may question any employer, owner, operator, agent, or employee in investigation, enforcement, and inspection activities covered by this chapter~~[.];~~ and
- (3) Any employee of the State acting within the scope of the employee's office, employment, or authority under this chapter shall not be liable for or made a party to any civil action growing out of administration and enforcement of chapter 397, HRS.
  - (b) Enforcement.
    - (1) Whenever the right of entry to a place to inspect an amusement ride, elevator, or kindred equipment required by this chapter to be inspected is refused to an authorized representative of the director, the department may apply to the circuit court where the equipment is located for a search warrant providing on its face that the wilful interference with its lawful execution may be punished as a contempt of court~~[.];~~ ;
    - (2) Whenever the department finds that the construction of or the operation of any amusement ride, or elevator and kindred equipment required to be inspected under this part is not safe, or that any practice, means, method, operation, or process employed or used is unsafe or is not in conformance with the standards and codes adopted pursuant to chapter 91, HRS, the department shall issue an order to render the construction or operation safe or in conformance with chapter 397, HRS, or its standards and codes and deliver the same to the contractor or owner. Each order shall be in writing and may be delivered by mail, electronically, or in person. The department may in the order direct that, in the manner and within a time specified, such additions, repairs, improvements, or changes be made and such safety devices and safeguards be furnished, provided, and used as are reasonably required to ensure compliance

with the purposes and provisions of chapter 397, HRS. An order to bring the operation of elevator or kindred equipment into compliance may require the owner to submit a plan of compliance that addresses interim corrective plans to ensure public and worker safety as well as the schedule for the correction of the non-conforming element. A plan of compliance shall not exceed five years for residential buildings or three years for all other buildings. The owner or contractor shall obey and observe all orders issued by the department or be subject to appropriate civil penalties[~~-~~];

- (3) Whenever, in the opinion of the department, the condition of or the operation of amusement rides, or elevators and kindred equipment required to be inspected by chapter 397, HRS, or any practice, means, method, operation, or process employed or used, is unsafe, or is not properly guarded, or is dangerously placed, its use may be prohibited by the department. An order to that effect shall be posted prominently on the equipment or near the place or condition referred to in the order. The order shall be removed when a determination has been made by an authorized representative of the department that the amusement rides, or elevators and kindred equipment are safe and the required safeguards or safety devices are provided[~~-~~];
- (4) Pursuant to section 397-4(d)(4), HRS, when an imminent hazard exists, the department may apply for a restraining order from a circuit court to effect enforcement restraining the use or operation until the use or operation is made safe[~~-~~];
- (5) Pursuant to section 397-4(d)(5), HRS, the director, or an authorized representative, shall have the same powers as are possessed by the court respecting administering of oaths, compelling attendance of witnesses, producing

documentary evidence, and examining witnesses or causing them to be examined, and may take depositions and certify to official acts[-];

- (6) Where a condition or practice involving any amusement ride, or elevator and kindred equipment required to be inspected by chapter 397, HRS, could reasonably be expected to cause death or serious physical harm, the department shall have the right, independent of any other enforcement powers under this chapter, to:
- (A) Immediately take steps to obtain abatement by informing the owner, contractor, and all persons in harm's way of the hazard by meeting, posted notice, or otherwise;
  - (B) Take steps to immediately obtain abatement through direct control or elimination of the hazard if, after reasonable search, the owner, contractor, or their representative is not available;
  - (C) Take steps to obtain immediate abatement when the nature and imminence of the danger or hazard does not permit a search for the owner or contractor; and
  - (D) Where appropriate, initiate necessary legal proceedings to require abatement by the owner or contractor[-]; and
- (7) The department may prosecute, defend, and maintain actions in the name of the department for the enforcement of the provisions of chapter 397, HRS, including the enforcement of any order issued by it, the appeal of an administrative or court decision, and other actions necessary to enforce chapter 397, HRS. [Eff and comp 6/30/14; comp 11/10/16; am and comp ] (Auth: HRS §397-4) (Imp: HRS §§397-4, 397-6, 397-8)

**§12-229-9 REPEALED.** [R 6/30/14]

**§12-229-9.1 Complaints.** (a) Complaints may be made to the department and where reasonable grounds exist for the department to believe there may be a hazard, there shall be an inspection in response to the complaint.

(b) Names of all complainants and witnesses shall be held in confidence by the department, unless prior permission has been given by the complainants or witnesses to release his or her names, or unless it has been determined by the state attorney general that disclosure is necessary for the enforcement and review under this chapter. [Eff and comp 6/30/14; comp 11/10/16; comp ] (Auth: HRS §397-4) (Imp: HRS §397-7)

**§12-229-10 REPEALED.** [R 6/30/14]

**§12-229-10.1 Reporting of accidents.** (a) Whenever an accident occurs involving either an amusement ride, or an elevator and kindred equipment, the owner shall promptly notify the division within eight hours by telephone at (808)586-9141. For reporting purposes, "accident" is defined as an occurrence resulting in significant damage to an elevator and kindred equipment and amusement device, including when it is rendered inoperative or any occurrence resulting in physical injury to a person or persons.

An accident report shall be submitted to the department within two calendar days after the owner has completed the accident investigation, and shall include the following information:

- (1) The date and time of the accident;
- (2) Hawaii registration number (HAW number) of the amusement ride, elevator, or kindred equipment involved;
- (3) Name and address of the victim or victims;



- (4) A brief description of the accident, including the nature and scope of the injuries;
- (5) Whether the amusement ride, elevator, or kindred equipment sustained any damage rendering it inoperative for any period of time;
- (6) Names and contact information of any witnesses interviewed;
- (7) A brief description of any inspections or tests conducted of the equipment to determine probable causation and who conducted them;
- (8) The investigators' conclusions as to the cause of the accident; and
- (9) The name and contact information of the investigator. For purposes of this section, the owner may contract another to perform the actual accident investigation, however, the owner is responsible for the report and its timely submittal to the department. If the accident investigation cannot be completed within three months of the date of the incident, the owner shall submit the incomplete report to the department with information as to when the investigation is expected to be completed. The final report shall be submitted as soon as the investigation is completed.

(b) Whenever an accident occurs which results in loss of life, the owner shall promptly notify the division by telephone at (808)586-9141, or messenger, within eight hours, and neither the amusement ride, or elevator and kindred equipment, or any of their parts, shall be removed or disturbed before permission has been given by the department except for the purpose of saving human life or limiting consequential damage.

(c) Additional reports, in writing or otherwise, may be required by the director. [Eff and comp 6/30/14; am and comp 11/10/16; comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-11 REPEALED.** [R 6/30/14]

**§12-229-11.1 Investigations.** The department may investigate accidents reported under section 12-229-10.1 involving amusement rides, and elevators and kindred equipment inspected under this chapter and may issue orders and recommendations with respect to the elimination and control of the causal factors. [Eff and comp 6/30/14; comp 11/10/16; comp ] (Auth: HRS §397-4) (Imp: HRS §§397-4, 397-6)

**§12-229-12 REPEALED.** [R 6/30/14]

**§12-229-12.1 Violations and penalties.** (a) The director may assess all civil penalties provided in this section, giving due consideration to the gravity of the violation, the good faith of the owner or contractor, and the history of previous violations.

(b) Violations. The following shall apply to violations:

- (1) Any owner or contractor who violates chapter 397, HRS, or any safety standards and codes adopted pursuant to chapter 91, HRS, or who violates or fails to comply with any order made under or by virtue of chapter 397, HRS, or who defaces, displaces, destroys, damages, or removes without the authority of the department any safety device, safeguard, notice, order, or warning required by chapter 397, HRS, its standards, or codes, shall be assessed a civil penalty of not more than \$10,000 for each such violation[-];
- (2) Any owner who allows the installation, construction, reconstruction, relocation, or alteration of any elevator or kindred equipment prior to obtaining an installation or alteration permit as

required by section 12-229-5.1 shall be assessed a civil penalty of not more than \$10,000. The penalty may be reduced by a maximum of ten [~~per cent~~] percent for history of past violations[~~-~~];

(3) Owners who fail to report an accident as required by section 12-229-10.1 shall be assessed a civil penalty of not more than \$5,000 per instance. Consideration may be given for good faith and history of violations [~~-~~];

(4) Owners who fail to maintain or provide records or reports to the department as required by this part shall be assessed a civil penalty of not more than \$5,000 per record not maintained or provided [~~-~~];

(5) Repeated violations shall be assessed a civil penalty of not more than \$10,000. Consideration may be given for gravity only[~~-~~];

(6) Owners who fail to take an elevator or kindred equipment out of service as specified in section 12-229-7.1(b) (4) shall be assessed a civil penalty of not more than \$10,000[~~-~~]; and

(7) Each day a violation continues shall constitute a separate violation except during an abatement period.

(c) Discrepancies and penalties. The following shall apply to discrepancies and penalties:

(1) Any conditions found not in conformance with applicable standards or codes adopted pursuant to chapter 397, HRS, shall be regarded as discrepancies and shall be made known to the owner or contractor by letter or written order to correct or both. All discrepancies shall be satisfactorily resolved as soon as possible. When, in the opinion of the department, a discrepancy constitutes a potentially serious hazard, the department may prohibit the use of the equipment until the condition is abated. Failure to abate unsafe conditions or failure to correct discrepancies within the time prescribed shall be a violation subject to

the civil penalties prescribed in this section.

- (2) Assessing penalties~~[-]~~;
- (A) Consideration shall be given to the gravity of the violation. For a violative condition that could not or probably would not result in serious harm to life the penalty may be reduced by forty ~~[per-cent]~~ percent~~[-]~~;
- (B) Consideration shall be given to the good faith of the owner or contractor. For immediate correction or for attempts to make corrections or abate hazards that have been thwarted by conditions beyond the control of the owner or contractor, the penalty may be reduced by forty ~~[per-cent]~~ percent~~[-]~~; and
- (C) Consideration shall be given for the history of previous violations. For no previous violations by the owner or contractor, the penalty may be reduced by ten ~~[per-cent]~~ percent.

(d) Anyone who knowingly makes a false statement on any document required by chapter 397, HRS, upon conviction, shall be punished by a fine of not more than \$10,000 or imprisonment or both. Any evidence suggesting that a false statement may have been made shall be immediately referred to the director, who shall consult with the state attorney general for purposes of initiating appropriate action. [Eff and comp 6/30/14; am and comp 11/10/16; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-8)

**§12-229-13 REPEALED.** [Eff 6/19/00; R 6/30/14]

**§12-229-13.1 Review and appeal.** (a) Any order or citation of the director shall be final and conclusive against an owner or contractor, unless an appeal is made in writing, clearly stating what items are being contested. The notice

of contest must be addressed to the director and received or, if mailed, postmarked by no later than the twentieth calendar day following receipt of the order or citation.

(b) The director or the director's designee may hold a formal hearing, which shall result in a decision and order by the director. Any party who disagrees with the director's decision may appeal in writing to the director within twenty calendar days of receipt of the decision and order. The director shall promptly notify the labor and industrial relations appeals board of the notice of contest. Where a prior formal hearing is held at the department level, the labor and industrial relations appeals board shall conduct a case review using only the record.

(c) An owner or contractor may petition the director for modification of the abatement requirements in an order, as provided in section 397-9, HRS. [Eff and comp 6/30/14; comp 11/10/16; comp ] (Auth: HRS §397-4)  
(Imp: HRS §397-9)

**§12-229-14 REPEALED.** [R 6/30/14]

**§12-229-14.1 Trade secrets.** Information obtained by the department containing or revealing a trade secret shall be held confidential and access shall be limited to authorized representatives of the director for purposes of carrying out chapter 397, HRS. [Eff and comp 6/30/14; comp 11/10/16; comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-11)

**§12-229-15 REPEALED.** [R 6/30/14]

**§12-229-15.1 Notifications of transfer and location.** (a) The seller of any elevator or kindred

equipment regulated by this part shall notify the department in writing using a form provided by the department within thirty calendar days of the sale giving the HAW number, location name, location address of the equipment, and the name and address of the purchaser.

(b) The owner of any elevator or kindred equipment who gives, scraps, demolishes, or removes the device shall report the transaction and the name and address of the new owner, if any, within thirty calendar days of the transaction to the department using the form provided by the department. [Eff and comp 6/30/14; am and comp 11/10/16; comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-16 REPEALED.** [R 6/30/14]

**§12-229-16.1 Variances.** (a) In cases of practical difficulties, undue hardships, or new developments, an owner may apply for a variance from any elevator safety standard. The application must be in writing, clearly stating the standard from which a variance is sought, the conditions, means, practices, methods, operations, or processes proposed to be used, together with drawings, specifications, and other supporting data. The director may issue an order for a variance if what is proposed will provide a substantially equivalent level of safety to that provided by the standard.

(b) All variances granted pursuant to this chapter shall have only a future effect. The director may decline to entertain an application for variance on a subject or issue for which a discrepancy letter or citation has been issued to the owner or contractor involved and the discrepancy or violation has not yet been satisfactorily corrected or resolved.

(c) Before granting the variance, the director shall publish a notice in a paper of general circulation or post notice on the department's website notifying all potentially

affected parties of the director's intent to grant the variance. The notice shall provide a period of thirty calendar days to object to the granting of the variance, after which time the variance shall become final if no objections are filed or a hearing is requested. The cost of the publication shall be borne by the petitioning party. Every notice shall specify the alternative to the safety standard being considered.

(d) Any party objecting to the granting of the variance must notify the director in writing within the thirty-day period, stating the reasons why the variance should not be granted and the resultant specific impact on public safety. The objecting party's reasons for objection may also be based on grounds other than impact on public safety such as feasibility of compliance or lack of undue hardship to the petitioner. The objecting party may also elect to provide the reasons for the objection at a hearing.

(e) The hearing requested by the objecting party shall be held no later than forty-five days after the thirty-day period stated in the public notice[-] as follows:

- (1) The objecting party or parties and the variance applicant shall be provided notice of the date, time, and place of the hearing at least fourteen calendar days before the scheduled hearing[-];
- (2) Each party shall be prepared to provide evidence supporting the party's case, including a brief oral statement summarizing such evidence[-];
- (3) The director shall provide a written determination to all parties[-];
- (4) If the director determines that the evidence does not support denial of the variance request, no further notice is required[-]; and
- (5) If the director determines that the evidence supports a denial of the variance request, a notice shall be published in a newspaper of general circulation stating the reasons why the variance is not granted.

(f) If the variance application does not include all relevant information as indicated in subsection (a), the director may deny the application. The denial shall be submitted in writing to the applicant within thirty calendar days. A notice of denial shall include a brief statement of the grounds for the denial. A denial of an application shall be without prejudice to the filing of another application.

(g) Requests for reconsideration on denied variance requests. The variance applicant whose variance request was denied may file a petition for reconsideration of the denial with the director. The petition must be filed in writing within twenty calendar days of the denial notice and should include all pertinent facts regarding why the variance should be granted.

- (1) The director may review the record on the case along with any additional information provided by the applicant or conduct further inquiries on the matter~~[-]~~; and
- (2) Any party objecting to the director's decision shall use the review and appeal process as provided for in section 12-229-13.1. [Eff and comp 6/30/14; am and comp 11/10/16; am and comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-229-17 Records.** Records shall be maintained by the elevator inspection branch of the department of labor and industrial relations for the purpose of preserving reports of inspections, witnessing of test and accident investigations, correspondence, prints, and memoranda for all objects inspected pursuant to this chapter. These records shall be maintained for a period of not less than five years for amusement rides, ~~[and]~~ elevators, and kindred equipment." [Eff and comp 6/30/14; comp 11/10/16; comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)



**EXHIBIT A**  
**ELEVATOR AND KINDRED EQUIPMENT INSTALLATION AND**  
**ALTERATION FEES**

**January 1, 2019**

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**Alterations<sup>1</sup>:**

|   |       |
|---|-------|
| Involving only the replacement of a single (1) major component (such as a car door operator, valve, a jack or a cylinder) | \$200 |
| Involving only cosmetic changes (such as car interior modernizations)   | \$350 |
| Involving two or more major components and/or subsystems:   |       |
| 1-3 floors  | \$630 |
| 4-9 floors  | \$680 |
| 10-19 floors  | \$740 |
| 20-29 floors  | \$790 |
| 30-39 floors  | \$850 |
| 40 or more floors   | \$950 |

**New Installations<sup>2</sup>**

|  |       |
|--|-------|
| Dumbwaiter or material lift              | \$525 |
| Escalator, moving walk, or moving ramp   | \$525 |
| Platform lifts or stairway chairlifts    | \$525 |
| Elevator:                                |       |
| 1-3 floors                               | \$630 |
| 4-9 floors                               | \$680 |
| 10-19 floors                             | \$740 |
| 20-29 floors                             | \$790 |
| 30-39 floors                             | \$850 |
| 40 or more floors                        | \$950 |
| Personnel hoists                         | \$450 |
| Temporary use permits (construction car) | \$450 |

**Additional inspections:**

|                                     |             |
|-------------------------------------|-------------|
| Normal workday, up to two hours     | \$325/day   |
| Normal workday, more than two hours | \$650/day   |
| Overtime hours, up to two hours     | \$650/day   |
| Overtime hours, more than two hours | \$1,300/day |

**Building plan reviews** \$200

<sup>1</sup> Where alterations to four or more units at the same location are identical, the fee for each additional alteration permit (beyond the initial four) shall be reduced by fifty percent. The applications shall be submitted at the same time to qualify for the fee reduction.

<sup>2</sup> For elevators which have considerable rise but few openings, such as observation or deep-well elevators, each ten feet of vertical rise shall be considered one floor for the purpose of determining installation or alteration permit fees.

**EXHIBIT B**

**ELEVATOR AND KINDRED EQUIPMENT INSPECTION FEES**

**January 1, 2019**

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**Permit and Renewal Inspection Fees<sup>1</sup>:**

|   |       |
|---|-------|
| Dumbwaiter or material lift             | \$150 |
| Escalator, moving walk, or moving ramp  | \$225 |
| Platform Lift or Stairway Chairlift     | \$225 |
| Hydraulic elevator - holed              | \$275 |
| Hydraulic elevator - holeless           | \$275 |
| Hydraulic elevator - roped holeless     | \$325 |
| Traction elevators:                     |       |
| 1-3 floors                              | \$250 |
| 4-9 floors                              | \$275 |
| 10-19 floors                            | \$300 |
| 20-29 floors                            | \$350 |
| 30-39 floors                            | \$425 |
| 40 or more floors                       | \$500 |
| Personnel hoist                         | \$300 |
| Temporary Use Permit (construction car) | \$300 |

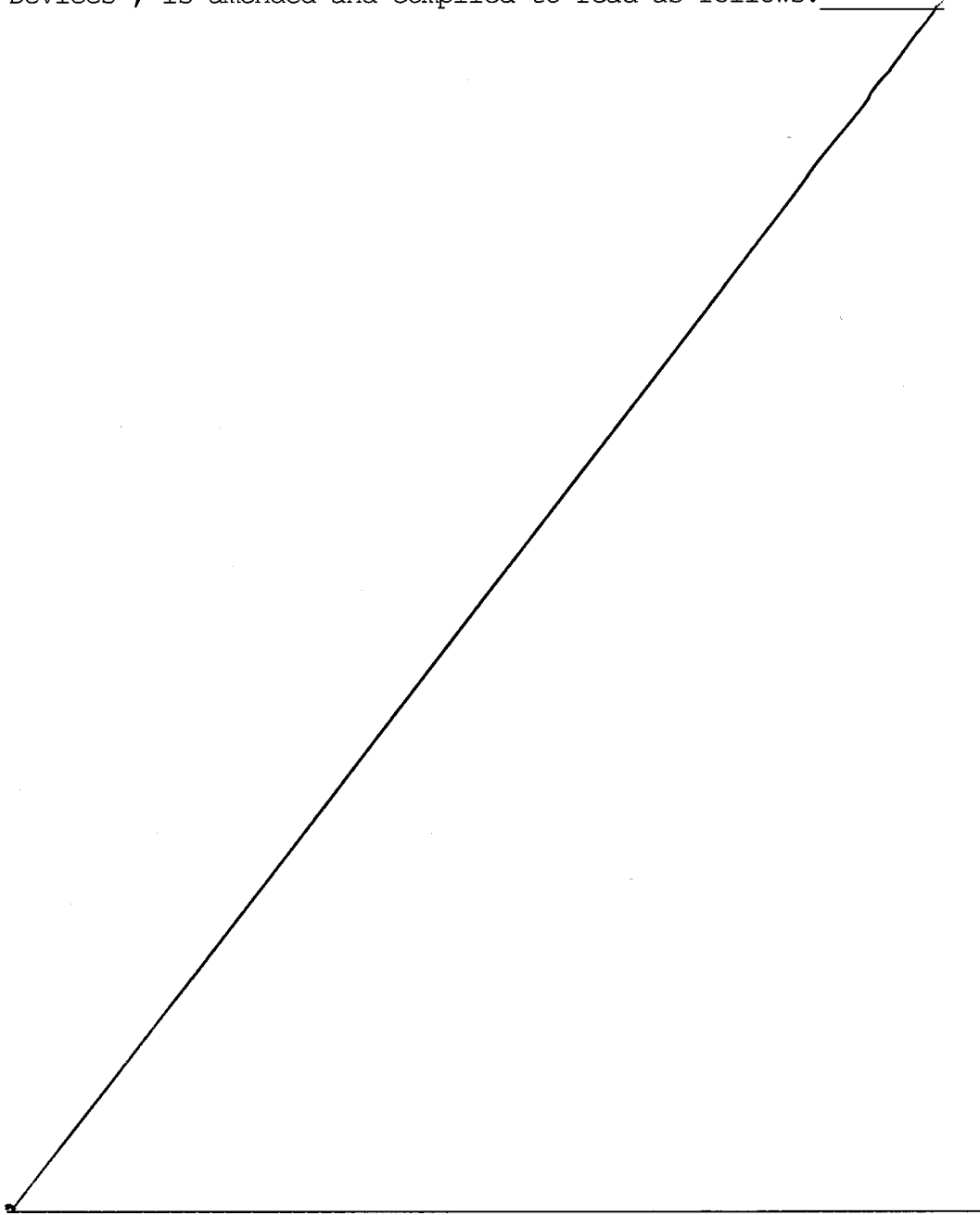
**Safety, load or internal test (witness fees):**

|   |       |
|---|-------|
| Category 3 test                             | \$325 |
| Category 3 test with safety overspeed valve | \$375 |
| Category 3/5 test for roped hydraulic       | \$425 |
| Category 5 test                             | \$425 |
| Category 5 with counterweight test          | \$525 |
| Escalator, internal                         | \$425 |

<sup>1</sup> For elevators which have considerable rise but few openings, such as observation or deep-well elevators, each ten feet of vertical rise shall be considered one floor for the purpose of determining permit renewal inspection fees.

Permit renewal and witness fees are per inspection, which may constitute one day or part of the day. If the inspector is required to return on another day or at another time on the same day, additional fees shall be assessed at the rate of \$325 per day for up to two hours and \$650 per day for more than two hours. Fees for overtime hours shall be \$650 per day for up to two hours and \$1,300 per day for more than two hours.

2. Chapter 12-230.1, Hawaii Administrative Rules, entitled "Elevators, Escalators, Dumbwaiters, Moving Walks, and Material Lifts and Dumbwaiters with Automatic Transfer Devices", is amended and compiled to read as follows: \_\_\_\_\_



"HAWAII ADMINISTRATIVE RULES

TITLE 12

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

SUBTITLE 8

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH

PART 11

ELEVATORS AND RELATED SYSTEMS

CHAPTER 230.1

ELEVATORS, ESCALATORS, DUMBWAITERS, MOVING WALKS,  
AND MATERIAL LIFTS AND DUMBWAITERS WITH  
AUTOMATIC TRANSFER DEVICES

- §12-230.1-1 Applicability
- §12-230.1-2 General requirements
- §12-230.1-3 Requirements for the installation of  
new elevators and kindred equipment or  
the relocation of existing equipment
- §12-230.1-4 Requirements for existing elevators,  
escalators, dumbwaiters, moving walks,  
and material lifts and dumbwaiters with  
automatic transfer devices

Historical Note: Chapter 230.1 is based on chapter 230 of title 12 of the Hawaii Occupational Safety and Health Standards, Rules and Regulations. [Eff

7/12/82; am 12/19/83; am 12/8/86; am, ren, and comp  
12/6/90; am 11/5/93; am 7/6/98; R 6/30/14]

**§12-230.1-1 Applicability.** The requirements of this chapter shall be applicable to the design, construction, installation, plans review, testing, inspection, certification, operation, use, maintenance, repair, alteration and relocation of, and investigation of accidents involving elevators and kindred equipment subject to chapter 397, Hawaii Revised Statutes, including elevators, escalators, dumbwaiters, moving walks, and material lifts and dumbwaiters with automatic transfer devices. [Eff 6/30/14; comp 11/10/16; comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-230.1-2 General requirements.** (a) All new and existing installations of elevators and kindred equipment shall be reasonably safe to persons and property and in conformity with the provisions of this chapter.

(b) Conditions found not in conformity with the provisions of this chapter for which the director had not previously issued a discrepancy letter may be regarded as discrepancies. All discrepancies shall be satisfactorily resolved as soon as possible or within the time specified by the director. Failure to correct discrepancies or failure to abate an unsafe condition within the time specified shall be deemed a violation.

(c) All passenger elevators shall have a clearly legible "Smoking Prohibited by Law" or "No Smoking" sign installed inside of the cab. The letters on the sign shall not be less than one inch in height. The sign shall be posted in elevators in buildings open to the public, including elevators in apartments and other multi-unit residential buildings. The international no-smoking symbol may be posted in lieu of the sign provided that the diameter of the circle

is not less than four inches. [Eff 6/30/14; comp  
11/10/16; comp ] (Auth: HRS §397-  
4) (Imp: HRS §397-4)

**§12-230.1-3 Requirements for the installation of new elevators and kindred equipment or the relocation of existing equipment.** (a) The design, construction, installation, operation, inspection, testing, maintenance, alteration, and repair of elevators, escalators, dumbwaiters, moving walks, and material lifts and dumbwaiters with automatic transfer devices, and its associated parts, shall conform to this chapter and the American Society of Mechanical Engineers A17.1-2010, which is adopted by reference and made a part of this chapter with the following amendments:

- (1) Section 5.2 of the American Society of Mechanical Engineers A17.1, Limited-Use/Limited-Application Elevators, is amended to read: "Limited-use/limited-application elevators (see 1.3) are not permitted to be installed or used, unless:
  - (A) The building is required to be accessible in accordance with the Department of Justice's ADA Standards for Accessible Design (2010), or in accordance with section 103-50, Hawaii Revised Statutes;
  - (B) The building is also on the National or Hawaii Register of Historic Places; and
  - (C) Accessibility cannot otherwise be achieved without adversely altering the historically protected features of the structure.";
- (2) Section 8.6.1.2.1(c) of the American Society of Mechanical Engineers A17.1 is amended to read: "A written Maintenance Control Program in electronic or paper form created for the equipment is the property of the equipment

owner, and shall be made available to the department and be located on site"~~[ ]~~; and

(3) Section 8.9.2 of the American Society of Mechanical Engineers A17.1 is amended to read: "The data plate shall be in plain view and securely attached to the controller door. An additional data plate shall be installed in the vicinity of the top key operated starting switch on the exterior of escalators and moving walks\_".

(b) A stairway or ladder shall be provided at all personnel points of access where there is a break in elevation of eight (8) inches [~~(two hundred mm)~~] (200 millimeters) or more and when no ramp or runway is provided.

(c) International Building Code, 2012 edition, chapter 30, Elevators and Conveying Systems, is adopted by reference and made a part of this chapter, and shall apply to all new elevators and kindred equipment.

(d) International Code Council A117.1-2009, Accessible and Usable Buildings and Facilities, sections 407, 410, and related portions of sections 106, 302, 308, 309, 703, and 705 are adopted by reference and made a part of this chapter, and shall apply to all new installations.

(e) Chapter 21 of the National Fire Protection Association 72 National Fire Alarm and Signaling Code, 2010 edition, and its related annexes and provisions are adopted by reference and made a part of this chapter, and shall apply to all new elevators.

(f) Article 620 of the National Fire Protection Association 70, National Electric Code, 2011 edition, and its related provisions are adopted by reference and made a part of this chapter, and shall apply to all new elevators.

(g) Paragraph 8.15.5, of National Fire Protection Association 13, Standard for the Installation of Sprinkler Systems, 2010 edition, is adopted by reference and made a part of this chapter, and shall apply to all new elevators and escalators. The annexes A.8.15.5.1 to A.8.15.5.4, D.1.1.9.2,

D.1.1.10.2, D.2.23.2.2, and D.2.24.2.2, are explanatory and informational only.

(h) In each machine room, control room, machinery space, control space, and hoistway pit, there shall be provided at least one 125 volt, single phase, 15- or 20-ampere ground fault circuit interrupter (GFCI) duplex receptacle.

(i) ~~[A machine room light bulb shall be externally guarded.]~~ All lamps utilized for illumination in machine room/space, control room/space, hoistway and pit, shall be externally guarded to prevent accidental breakage.

(j) Section 2.27.8 (switch keys) of American Society of Mechanical Engineers A17.1 is amended to read: "The key switches required by 2.27.2 through 2.27.5 for all elevators in a building shall be operable by the "FEO-K1" key. The keys shall be Group 3 Security (see 8.1). A separate key shall be provided for each switch. These keys shall be kept inside the firefighter's lockbox. The firefighter's lockbox shall be located immediately adjacent to the firefighter's emergency recall key switch, at an approximate height of six (6) feet above the floor. Access to the firefighter's lockbox shall only be the standardized key (#25460) for Hawaii, as required by the Authority Having Jurisdiction (AHJ). The firefighter's emergency recall key switch shall be located [6] six (6) feet above the floor on the [left hand] left-hand side of the elevator wall when facing the elevator and [6] six (6) feet above the floor on the [left hand] left-hand side of the left elevator when facing the elevators for a group of elevators. [The fire key switch shall be located adjacent to the firefighter's lockbox. This] The key for the firefighter's emergency recall switch shall be of a tubular, [7-pin] 7-pin, style 137 construction and shall have a bitting code of 6143521 starting at the tab sequenced clockwise as viewed from the barrel end of the key. The key shall be coded "FEO-K1". The possession of the "FEO-K1" key shall be limited to elevator personnel, emergency personnel, elevator equipment manufacturers, and authorized personnel during checking of the Firefighter's



Emergency Operation (see 8.1 and 8.6.11.1).". [Eff  
6/30/14; am and comp 11/10/16, am and  
comp ] (Auth: HRS §397-4) (Imp:  
HRS §397-4)

**§12-230.1-4 Requirements for existing elevators, escalators, dumbwaiters, moving walks, and material lifts and dumbwaiters with automatic transfer devices.**

(a) All existing elevators, escalators, moving walks, and dumbwaiters and material lifts without automatic transfer devices shall comply with the code in effect at the time of installation or alteration as illustrated in Exhibit A, titled "Existing Elevator and Kindred Equipment Code Application Dates", dated January 1, 2017, which is made a part of this chapter and located at the end of this chapter, provided that for those years where the Hawaii Registration number (HAW) did not specify code year, the code version of the American Society of Mechanical Engineers A17.1 in effect at the time of installation or alteration shall apply. The director shall have the discretion to apply a specific code to any elevator and related system if the applicable code cannot be readily ascertained. If the installation or alteration permit was issued after 1997, then the elevator or kindred equipment shall comply with American Society of Mechanical Engineers A17.3-2011, which is adopted by reference and made a part of this chapter.

(b) The following provisions of American Society of Mechanical Engineers A17.1-2010 are adopted by reference and shall apply to existing elevators and kindred equipment as stated:

- (1) Part 1, General, shall apply to all existing elevators, escalators, moving walks, and dumbwaiters, and material lifts;
- (2) Section 5.10, Elevators Used for Construction, shall apply to all existing elevators used for construction;

- (3) Section 8.1, Security, shall apply to all existing elevators, escalators, and moving walks;
  - (4) Section 8.6, Maintenance, Repair, Replacement and Testing, shall apply to all existing elevators, escalators and moving walks, and dumbwaiters and material lifts with automatic transfer devices with the following amendment: Section 8.6.1.2.1(c) of the American Society of Mechanical Engineers A17.1 shall not apply~~[-]~~;
  - (5) Section 8.7, Alterations, shall apply to all existing elevators, escalators, moving walks, and material lifts and dumbwaiters with automatic transfer devices~~[-]~~;
  - (6) Section 8.8, Welding, shall apply to all existing elevators, escalators, moving walks, and material lifts and dumbwaiters with automatic transfer devices ~~[-]~~;
  - (7) Section 8.9, Code Data Plate, shall apply to all existing elevators, escalators, moving walks, and material lifts and dumbwaiters with automatic transfer devices, except section 8.9.2 is amended to read: "The data plate shall be in plain view and securely attached to the controller door. An additional data plate shall be installed in the vicinity of the top key operated starting switch on the exterior of escalators and moving walks."~~[-]~~;
  - (8) Section 8.10, Acceptance Inspections and Tests, shall apply to all existing elevators, escalators, moving walks, and material lifts and dumbwaiters with automatic transfer devices~~[-]~~; and
  - (9) Section 8.11, Flood Resistances, shall apply to all existing elevators, escalators, moving walks, and material lifts and dumbwaiters with automatic transfer devices.
- (c) Chapter 12-240 shall apply to all elevators where the installation or alteration application was received by the department after December 6, 1990.

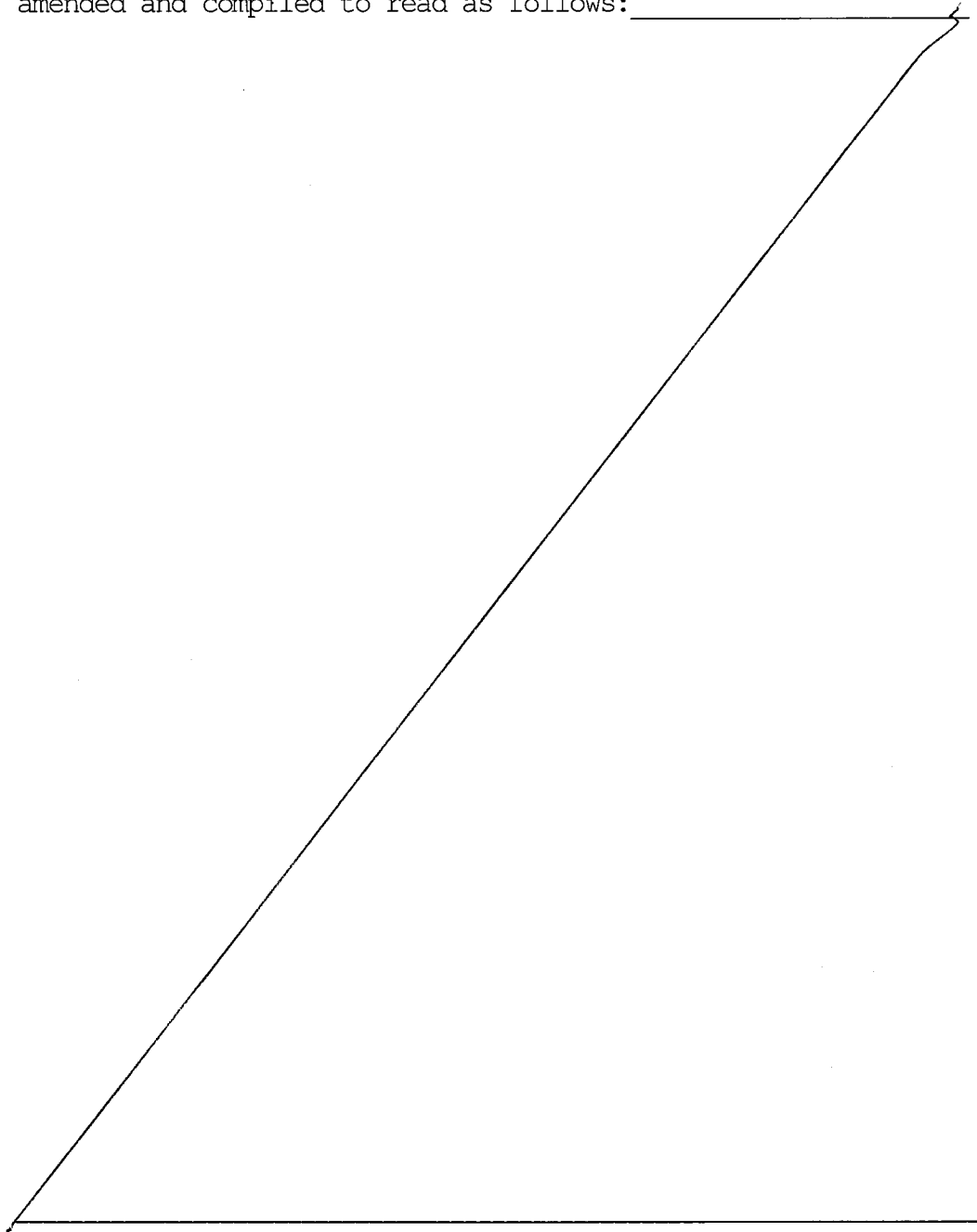
(d) American Society of Mechanical Engineers  
17.6-2010 shall apply to existing elevators with other  
types of suspension means and steel cables less than  
three-eighths of an inch in diameter." [Eff 6/30/14;  
am and comp 11/10/16; am and comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)

**EXHIBIT A  
EXISTING ELEVATOR AND KINDRED EQUIPMENT  
CODE APPLICATION DATES**

**January 1, 2017**

| <b>YEAR Implemented</b> | <b>CODE/RULE</b>     | <b>A17.1 REFERENCE YEAR</b>                           |
|-------------------------|----------------------|---|
| 1958                    | HAR Chapter 22       | No year specified,<br>Applicable ANSI Edition<br>1955 |
| 1964                    | HAR Chapter 22       | 1960  |
| 1969                    | HAR Chapter 22       | 1965  |
| 1982                    | HAR Chapter 230      | 1981  |
| 1990                    | HAR Chapter 230      | 1987  |
| 1993                    | HAR Chapter 230      | 1990  |
| 1998                    | HAR Chapter 230      | 1996  |
| 2000                    | HAR Chapter 230      | 1996  |
| 2014                    | HAR Chapter<br>230.1 | 2010  |

3. Chapter 12-240, Hawaii Administrative Rules, entitled "Elevator Requirements for Individuals with Disabilities", is amended and compiled to read as follows: \_\_\_\_\_



"HAWAII ADMINISTRATIVE RULES

TITLE 12

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

SUBTITLE 8

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH

CHAPTER 240

ELEVATOR REQUIREMENTS FOR INDIVIDUALS WITH  
DISABILITIES

|            |   |
|------------|---|
| §12-240-1  | General                                 |
| §12-240-2  | Automatic operation                     |
| §12-240-3  | Hall call buttons                       |
| §12-240-4  | Hall lanterns                           |
| §12-240-5  | Raised characters on hoistway entrances |
| §12-240-6  | Door protective and reopening device    |
| §12-240-7  | Door and signal timing for hall calls   |
| §12-240-8  | Door delay for car calls                |
| §12-240-9  | Floor plan of elevator cars             |
| §12-240-10 | Floor surfaces                          |
| §12-240-11 | Illumination levels                     |
| §12-240-12 | Car controls                            |
| §12-240-13 | Car position indicators                 |
| §12-240-14 | Emergency communications                |

**§12-240-1 General.** Passenger elevators which have had their architectural plans reviewed for installation permit after December 6, 1990, shall have accessible elevators on an accessible route and

shall comply with American National Standards Institute specifications for making buildings and facilities accessible to and usable by persons with disabilities (ANSI A117.1-1986) and with the American National Standard Safety Code for Elevators, Dumbwaiters, Escalators, and Moving Walks, ASME A17.1 1996. This standard does not preclude the use of residential or fully enclosed wheelchair lifts when appropriate and approved by administrative authorities. Freight elevators shall not be considered as meeting the requirements of this section, unless the only elevators provided are used as combination passenger and freight elevators for the public and employees. [Eff 12/6/90; am 11/5/93; am 7/6/98; am 6/30/14; comp ]  
(Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-2 Automatic operation.** Elevator operation shall be automatic. Each car shall be equipped with a self-leveling feature that will automatically bring the car to floor landings within a tolerance of 1/2 [~~in. (13 mm)~~] inch or thirteen (13) millimeters under rated loading to zero loading conditions. This self-leveling feature shall be automatic and independent of the operating device and shall correct the overtravel or undertravel. [Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-3 Hall call buttons.** Call buttons in elevator lobbies and halls shall be centered at approximately [42 in. (1065 mm)] forty-two (42) inches (1065 millimeters) above the floor. When situations prohibit mounting at forty-two (42) inches, in conjunction with ICC A117.1-2009, hall buttons maybe be mounted between fifteen (15) inches to forty-eight (48) inches for unobstructed forward reach, and between twenty-five (25) inches to forty-eight (48) inches for

obstructed forward reach. Such call buttons shall have visual signals to indicate when each call is registered and when each call is answered. Call buttons shall be a minimum of 3/4 inch [~~(19 mm)~~] or nineteen ( 19) millimeters in the smallest dimension. The button designating the up direction shall be on top [~~(see Figure 240-1)~~] as shown in Figure 240-1, titled, "Hoistway and Elevator Entrances", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. Buttons shall be raised or flush. Objects mounted or placed beneath hall call buttons shall not project into the elevator lobby more than [~~4 in.(100 mm)~~] four (4) inches (100 millimeters).  
[Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-4 Hall lanterns.** A visible and audible signal shall be provided at each hoistway entrance to indicate which car is answering a call. Audible signals shall sound once for the up direction and twice for the down direction or shall have verbal annunciators that say "up" or "down." Visible signals shall have the following features:

- (1) Hall lantern fixtures shall be mounted so that their centerline is at least [~~72 in.(1830 mm)~~] seventy-two (72) (1830 millimeters) above the lobby floor;
- (2) Visual elements shall be at least [~~2-1/2 in.(64 mm)~~] two and a half (2.5) inches or sixty-four (64) millimeters in the smallest dimension; and
- (3) Signals shall be visible from the vicinity of the hall call button. In-car lanterns located in cars, visible from the vicinity of hall call buttons, and confirming to the above requirements, shall be acceptable [~~(see Figure 240-1)~~] as shown in Figure 240-1,



titled, "Hoistway and Elevator Entrances," dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. [Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-5 Raised characters on hoistway entrances.** All elevator hoistway entrances shall have raised floor designations provided on both jambs. The centerline of the characters shall be [~~60 in. (1525 mm)~~] sixty (60) inches (1525 millimeters) from the floor. Such characters shall be [~~2 in. (50 mm)~~] two (2) inches or fifty (50) millimeters high and shall comply with ANSI A117.1-1986 Rule 1.30. Permanently applied plates are acceptable if they are permanently fixed to the jambs [~~(See Figure 240-1)~~] as shown in Figure 240-1, titled, "Hoistway and Elevator Entrances", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. [Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-6 Door protective and reopening device.** Elevator doors shall open and close automatically. They shall be provided with a reopening device that will stop and reopen a car door and hoistway door automatically if the door becomes obstructed by an object or person. The device shall be capable of completing these operations without requiring contact for an obstruction passing through the opening at heights of [~~5 in and 29 in. (125 mm and 735 mm)~~] (5) inches and twenty-nine (29) inches (125 and 735 millimeters) from the floor [~~(see Figure 240-1)~~] as shown in Figure 240-1, titled, "Hoistway and Elevator Entrances", dated December 6, 1990,

which is made a part of this chapter, and located at the end of this chapter. Door reopening devices shall remain effective for at least [~~20~~] twenty (20) seconds. After such an interval, doors may close in accordance with the requirements of ANSI A17.1b-1989. [Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-7 Door and signal timing for hall calls.** The minimum acceptable time from notification that a car is answering a call until the doors of that car start to close shall be calculated from the following equation:

$$T = \frac{D}{1.5 \text{ ft./s}} \quad \text{or} \quad T = \frac{D}{455 \text{ mm/s}}$$

where T = total time in seconds and D = distance (in feet or millimeters) from a point in the lobby or corridor [~~60 in.~~] sixty (60) inches [~~(1525 mm)~~] sixty (60) inches (1525 millimeters) directly in front of the farthest call button controlling that car to the centerline of its hoistway door [~~(see Figure 240-2)~~] as shown in Figure 240-2, titled "Graph of Timing Equation", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. For cars with in-car lanterns, T begins when the lantern is visible from the vicinity of hall call buttons and an audible signal is sounded. The minimum acceptable notification time shall be [~~5~~] five (5) seconds. [Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-8 Door delay for car calls.** The minimum time for elevator doors to remain fully open in response to a car call shall be [~~3~~] three (3) seconds. [Eff 12/6/90; am and comp ]

(Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-9 Floor plan of elevator cars.** The floor area of elevator cars shall provide space for wheelchair users to enter the car, maneuver within reach of controls, and exit from the car. Acceptable door opening and inside dimensions shall be as shown in Figure 240-3[-], titled "Minimum Dimensions of Elevator Cars", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. The clearance between the car platform sill and the edge of any hoistway landing shall be no greater than 1-1/4 [~~in(32 mm)~~] inch or thirty-two (32) millimeters. [Eff 12/6/90; am 7/6/98; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-10 Floor surfaces.** Floor surfaces shall comply with ANSI A117.1-1980 Rule 4.5. [Eff 12/6/90; comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-11 Illumination levels.** The level of illumination at the car controls, platform, and car threshold and landing sill shall be at least [5] five (5) footcandles (53.8 lux). [Eff 12/6/90; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-12 Car controls.** Elevator control panels shall have the following features:

- (1) Buttons. All control buttons shall be at least 3/4 [~~in.(19 mm)~~] inch or nineteen (19) millimeters in their smallest

- dimension. They may be raised or flush;
- (2) Tactile and [~~Visual Control Indicators~~] visual control indicators. All control buttons shall be designated by raised standard alphabet characters for letters, [~~arabic~~] Arabic characters for numerals, or standard symbols as shown in Figure 240-4(a), titled "Car Controls", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter, and as required in ANSI A17.1-1989. Raised characters and symbols shall comply with ANSI A17.1-1986 Rule 4.30. The call button for the main entry floor shall be designated by a raised star at the left of the floor designation [~~(see Figure 240-4(a))~~] as shown in Figure 240-4(a), titled "Car Controls", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. All raised designations for control buttons shall be placed immediately to the left of the button to which they apply. Applied plates, permanently attached, are an acceptable means to provide raised control designations. Floor buttons shall be provided with visual indicators to show when each call is registered. The visual indicators shall be extinguished when each call is answered;
- (3) Height. All floor buttons shall be no higher than [~~54 in. (1220 mm)~~] fifty-four (54) inches (1220 millimeters), above the finish floor for side approach and [~~48 in.~~] forty-eight (48) inches for front approach. Emergency controls, including the emergency alarm and emergency stop, shall be grouped at the bottom of the panel and shall have their centerlines no

less than [~~35 in. (890 mm)~~] thirty-five (35) inches (890 millimeters) above the floor [~~(see Figure 240-4(a) and (b));~~] as shown in Figures 240-4(a) and (b), entitled "Car Controls", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. The emergency alarm bell shall be operable under normal power as well as for a minimum of one (1) hour on auxiliary power in the event of the loss of normal power; and

- (4) Location. Controls shall be located on a front wall if cars have center opening doors, and at the side wall or at the front wall next to the door if cars have side opening doors [~~(see Figure 240-4(c) and (d))~~] as shown in Figures 240-4(c) and (d), entitled "Car Controls", dated December 6, 1990, which is made a part of this chapter, and located at the end of this chapter. [Eff 12/6/90; am 11/5/93; am and comp ] (Auth: HRS §397-4) (Imp: HRS §397-4)

**§12-240-13 Car position indicators.** In elevator cars, a visual car position indicator shall be provided above the car control panel or over the door to show the position of the elevator in the hoistway. As the car passes or stops at a floor served by the elevators, the corresponding numerals shall illuminate, and an audible signal shall sound. Numerals shall be a minimum of 1/2 [~~in. (13 mm)~~] inch or thirteen (13) millimeters high. The audible signal shall be no less than [~~20~~] twenty (20) decibels with a frequency no higher than 1500 Hz. An automatic verbal announcement of the floor number at which a car stops or which a car passes may be substituted for the audible signal. [Eff. 12/6/90; am and

comp  
HRS §397-4)

] (Auth: HRS §397-4) (Imp:

**§12-240-14 Emergency communications.** If provided, emergency two-way communication systems between the elevator and a point outside the hoistway shall comply with ANSI A17.1-1989. The highest operable part of a two-way communication system shall be a maximum of [~~48 in. (1220 mm)~~] forty-eight (48) inches (1220 millimeters) from the floor of the car. It shall be identified by a raised or recessed symbol and lettering complying with ANSI A117-1986 Rule 4.30 and located adjacent to the device. If the system uses a handset, then the length of the cord from the panel to the handset shall be at least [~~29 in. (735 mm)~~] twenty-nine (29) inches (735 millimeters). If the system is located in a closed compartment, the compartment door hardware shall conform to ANSI A117.1-1980 Rule 4.27, Controls and Operating Mechanisms. The emergency intercommunication system shall not require voice communication." [Eff. 12/6/90; am and comp  
HRS §397-4) ] (Auth: HRS §397-4) (Imp:

4. Material, except source notes, to be repeal is bracketed. New material is underscored.

5. Additions to update source notes to reflect these amendments are not underscored.

6. These amendments to and compilation of chapters 12-229, 12-230-1, and 12-240, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

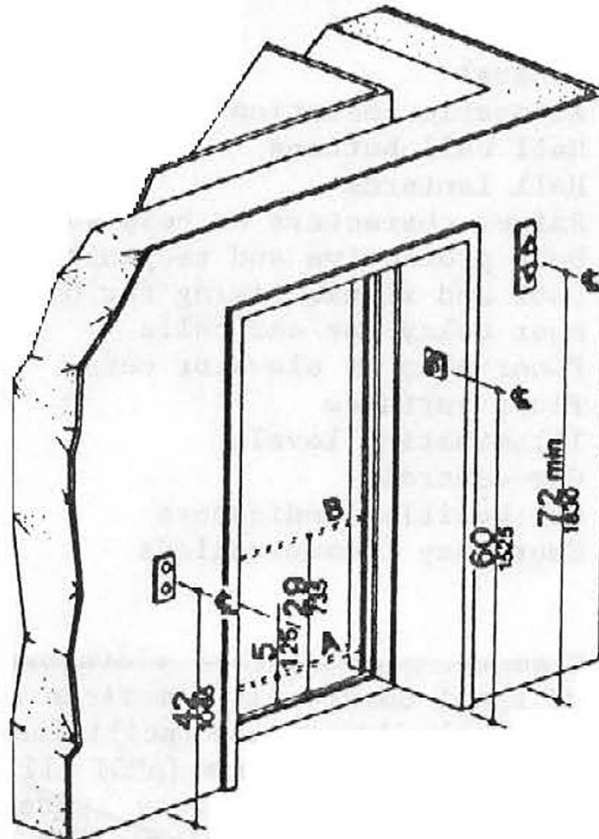
I certify that the foregoing are copies of the rules, drafted in Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on [Effective Date], and filed with the Office of the Lieutenant Governor.

\_\_\_\_\_  
Leonard Hoshijo  
Director of Labor and  
Industrial Relations

APPROVED AS TO FORM:

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

Figure 240-1  
Holstway and Elevator Entrances  
December 6, 1990



**NOTE:** The automatic door reopening device is activated if an object passes through either line A or line B. Line A and Line B represent the vertical locations of the door reopening device not requiring contact.



Figure 240-2  
Graph of Timing Equation  
December 6, 1990

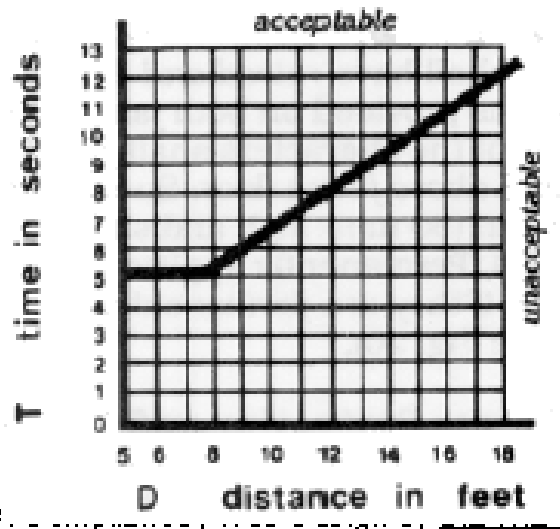


Figure 240-3  
Minimum Dimensions of  
Elevator Cars  
December 6, 1990

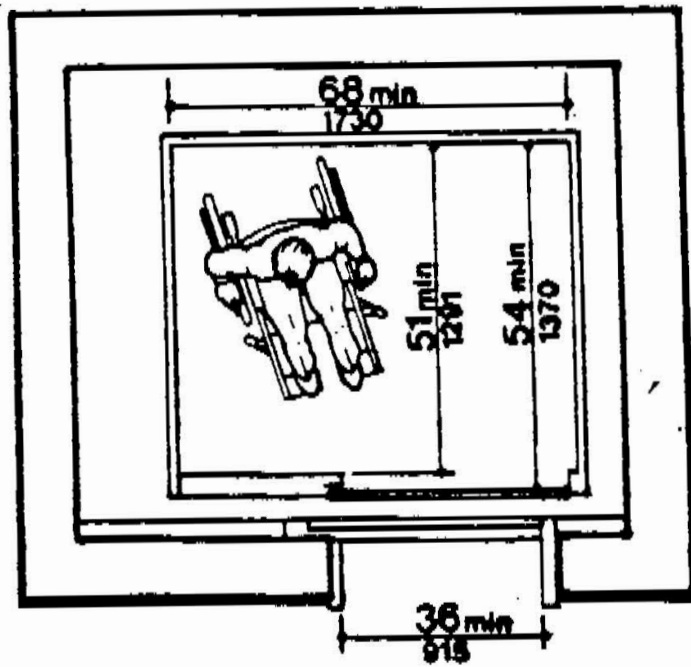
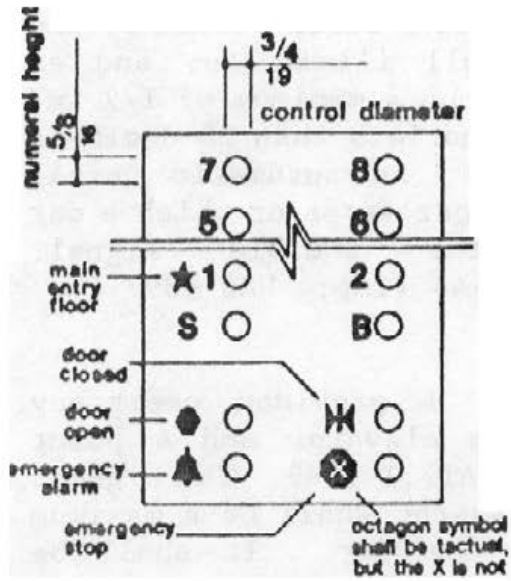
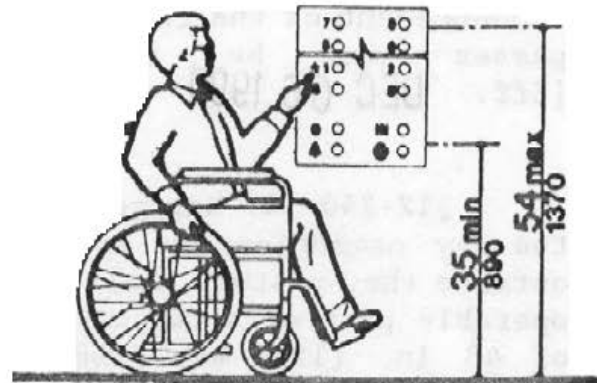


Figure 240-3  
Minimum Dimensions of Elevator Cars

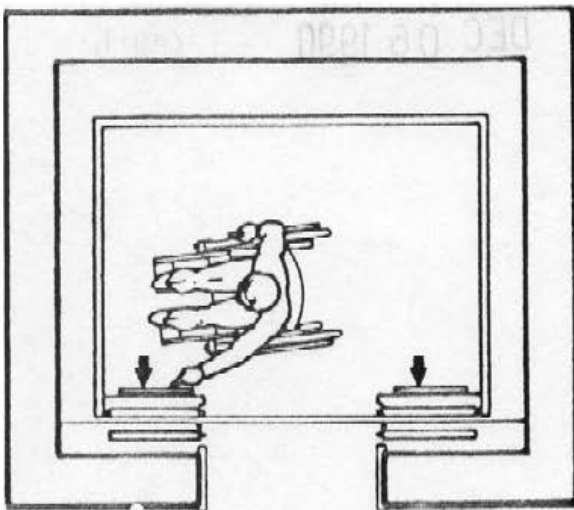
Figure 240-4  
 Car Controls  
 December 6, 1990



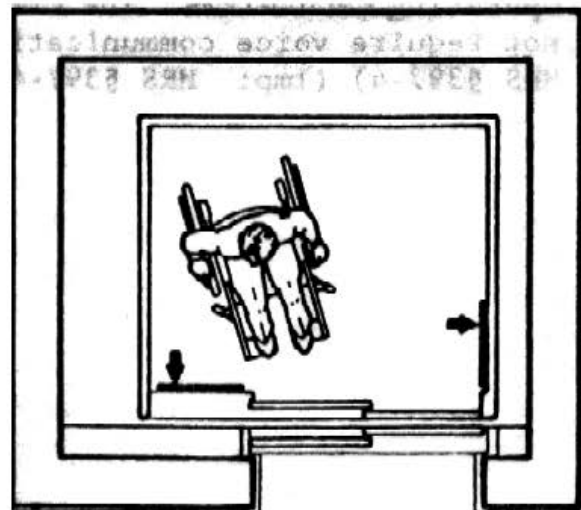
(a)  
 Panel Detail



(b)  
 Control Height



(c)  
 Alternate Locations of Panel  
 with Center Opening Door



(d)  
 Alternate Locations of Panel  
 with Side Opening Door

Figure 240-4  
 Car Controls

## **V. Legislative Matters**

A. Update on Proposed Legislative Amendments  
to Chapter 201M, Hawaii Revised Statutes for  
the 2019 Hawaii Legislative Session

\_\_\_\_.B. NO.\_\_\_\_

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# A BILL FOR AN ACT

RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD.

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

1           SECTION 1.   Section 201M-5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3           "(a)   There shall be established within the department of  
4 business, economic development, and tourism, for administrative  
5 purposes, a small business regulatory review board to review any  
6 proposed new or amended rule.  If the board determines that a  
7 proposed rule will not have a significant economic impact on a  
8 substantial number of small businesses, the board shall submit a  
9 statement to that effect to the agency that sets forth the  
10 reason for the board's decision.  If the board determines that  
11 the proposed rule will have a significant economic impact on a  
12 substantial number of small businesses, the board may submit to  
13 the agency suggested changes in the proposed rule to minimize  
14 the economic impact of the proposed rule, or may recommend the  
15 withdrawal of the proposed rule.  The board may also consider  
16 any request from small business owners for review of any rule  
17 proposed, amended, or adopted by a state agency and to make  
18 recommendations to the agency or the legislature regarding the

\_\_\_\_.B. NO.\_\_\_\_

1 need for a rule change or legislation. For requests regarding  
2 county [~~ordinances~~] rules, the board may make recommendations  
3 to the county council or the mayor for appropriate action."

4 SECTION 2. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.

7

8

INTRODUCED BY: \_\_\_\_\_

9

BY REQUEST

10

\_\_\_\_.B. NO.\_\_\_\_\_

**Report Title:**

Small Business Regulatory Review Board

**Description:**

Clarifies the intent of the Small Business Regulatory Review Board's powers when reviewing state and county administrative rules that impact small business.

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

JUSTIFICATION SHEET

Revised:  
1<sup>st</sup> DRAFT DATE: 09/17/2018

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD.

PURPOSE: To clarify the powers of the Small Business Regulatory Review Board by adding that the Board may consider any request from small business owners for review of a rule that is "proposed" and "amended" as well as adopted by a state agency, and to change "ordinances" to "rules" when making recommendations to the county council or the mayor for appropriate action.

MEANS: Amend section 201M-5(a), Hawaii Revised Statutes.

JUSTIFICATION: To clarify the intent of the Small Business Regulatory Review Board's powers when reviewing state and county administrative rules that impact small business.

Impact on the public: Ensures the stability of the Small Business Regulatory Review Board by clarifying its powers under the Regulatory Flexibility Act.

Impact on the department and other agencies: Minimal.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: BED 142.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.



## **VI. 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