

Small Business Regulatory Review Board

MINUTES OF REGULAR MEETING

September 20, 2017

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

- I. **CALL TO ORDER:** Chair Borge called the meeting to order at 10:05 p.m., with a quorum present.

MEMBERS PRESENT:

- Anthony Borge, Chair
- Garth Yamanaka, 2nd Vice Chair
- Kyoko Kimura
- Harris Nakamoto
- Nancy Atmospera-Walch
- Carl Nagasako

ABSENT MEMBERS:

- Robert Cundiff, Vice Chair

STAFF: DBEDT
Dori Palcovich

Office of the Attorney General
Jennifer Waihee-Polk

II. APPROVAL OF AUGUST 16, 2017 MINUTES

Mr. Nakamoto made a motion to accept the August 16, 2017 minutes, as presented. Second Vice Chair Yamanaka seconded the motion, and the Board members unanimously agreed.

III. NEW BUSINESS

- A. Discussion and Action on Proposed Amendments to Title 8, Subtitle 1, Liquor Commission, Chapter 101, Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui, promulgated by the Department of Liquor Control, County of Maui, as follows

Discussion leader Ms. Kimura explained that these rule amendments have been reviewed during the past year. However, after the rules were approved and adopted, a lawsuit was instituted and the rules were repealed; a new public hearing was scheduled and held on September 13th.

- 1. Section 22(j) – Licenses, Classes; Class 10, Special License

Amendments apply to non-profits, public candidates and political parties. Executive Director Mr. Glenn Mukai confirmed that, at the recent public hearing, the option that was chosen

excludes non-profits from requiring personal history statements and criminal history background checks.

2. Section 69(a) – Practice to Promote Excessive Consumption of Liquor; Prohibited

Executive Director Mukai also confirmed that at the public hearing the option to sell “all the liquor you can drink” at a fixed price was chosen. This only applies at restaurants where tickets are sold for events such as fundraisers that are not open to the public.

Ms. Kimura made a motion to move the proposed amendments to the Mayor for adoption. Mr. Nakamoto seconded the motion, and the Board members unanimously agreed.

IV. ADMINISTRATIVE MATTERS

A. Discussion and Action on Recommended Changes to Governor’s Administrative Directive (AD) No. 09-01, dated October 29, 2009, regarding Chapter 201M, HRS

Chair Borge explained that the first proposed change to the Governor’s 2009 AD will align the AD with the new definition of “small business” that was recently changed in the Board’s statute during the past legislative session.

The second proposed change refers to the Board’s discussion at the last board meeting regarding the possibility of changing Chapter 91, HRS, in order to engage small businesses in the rule-review process prior to the public hearing; as opposed to the current process where businesses receive notice of rule changes at the tail-end of the process. The verbiage for this change is taken from the Board’s statute, section 201M-2(b)(6), HRS.

Although not the best solution, Chair Borge believes amending the AD in this manner makes sense, and is more doable and quicker than changing the statute. Deputy Attorney General Waihee-Polk indicated that she will follow-up with the deputy attorney general handling the Governor’s activities to make sure this proposal does not get lost.

Ms. Kyoko made a motion to move forward with the Board’s recommendation to propose changes to the Governor’s Administrative Directive No. 09-01. Ms. Atmospera seconded the motion, and the Board members unanimously agreed.

B. Update and Discussion on Upgrading the Board’s Website

Chair Borge reminded the members that HIC (Hawaii Information Consortium) is interested in assisting this Board with the design of a new website and has posed several questions before beginning the process.

In regards to the goals this Board is hoping to accomplish, responses included having a meaningful website that is user-friendly in terms of navigational purposes. Also, it is important to explain what the Board’s mission is, what it stands for, and to make it as easy as possible for small businesses to approach this Board with issues on rules and regulations. In addition, having links to other chambers of commerce and to a “regulatory alert” button where small businesses can download a small business impact statement were suggested.

In regards to the budget, Mr. Nagasako explained that in order to develop a reasonably priced site, concepts and ideas should be converted into specific applications. He added that the specifics must be locked down first, the vendor should then be approached, and finally the price should follow. If the process is done differently, the cost may be too high. The Board also needs to keep in mind how sophisticated it wants the site to be and how much regular/monthly maintenance would be required.

During the discussion, Mr. Nakamoto suggested that a task group be created to review HIC's questions. Deputy Attorney General Waihee-Polk added that this could be accomplished by placing an item on next month's agenda to create an informal taskforce.

Mr. Nakamoto made a motion to place on next month's agenda the approval of an informal investigative task force for the purpose of developing goals for the redesign of the Board's website. Ms. Atmospera-Walch seconded the motion, and the Board members unanimously agreed.

C. Update on Amendments to Chapter 201M, HRS for the 2018 Hawaii Legislative Session

It was noted that the Board's proposed changes to its statute for the upcoming legislative session were approved by DBEDT and sent onward for appropriate review and approval.

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

Mr. Reg Baker is expected to be appointed by the Governor as an "interim" board member until the 2018 legislative session. The Board, however, is still in need of a member from Kauai. The names of Ms. Mary Albitz and Mr. Larry Anderson were submitted to the Governor for the Governor's review. Chair Borge was informed that the Governor wants to receive a "list" of nominees rather than receiving only one or two nominees.

Chair Borge recently sent a letter to the Farm Bureau requesting potential names of members who may be interested in becoming a member of this Board; he has a follow-up call into the Farm Bureau's executive director and is awaiting a return call back.

Ms. Atmospera-Walch explained that she was approached by representatives of adult residential care homes who believe they may be discriminated against due to a change in the payment standards. These standards pertain to a three-tiered payment schedule for 3-, 4-, and 5-bedroom homes. An owner of a 3-bedroom care home now has the highest amount to pay; payments get lower with the higher number of bedrooms. DBEDT staff will review this with Ms. Atmospera-Walch and follow-up with the Board, if appropriate.

V. **NEXT MEETING** – The next meeting is scheduled for Wednesday, October 18, 2017, in Conference Room 436, 250 South Hotel Street, Honolulu, Hawaii at 10:00 a.m.

VI. **ADJOURNMENT** – Mr. Nakamoto made a motion to adjourn the meeting and Ms. Kimura seconded the motion; the meeting adjourned at 11:07 a.m.