

Small Business Regulatory Review Board

MEETING MINUTES

April 18, 2024

ZOOM Meeting Recording

- I. **CALL TO ORDER:** Chair Albitz called the meeting to order at 10:00 a.m., with a quorum present.

MEMBERS PRESENT:

- Mary Albitz, Chair
- Robert Cundiff, Vice Chair
- Jonathan Shick, 2nd Vice Chair
- Dr. Nancy Atmospera-Walch
- James (Kimo) Lee
- Tessa Gomes
- Sanford Morioka
- Mark Ritchie

ABSENT MEMBERS:

- Garth Yamanaka
- William Lydgate

STAFF: DBEDT

Dori Palcovich
Jet'aime Ariola

Office of the Attorney General

Alison Kato

II. APPROVAL OF March 28, 2024 MINUTES

Second Vice Chair Shick motioned to accept the March 28, 2024 meeting minutes, as presented. Vice Chair Cundiff seconded the motion and the Board members unanimously agreed.

III. NEW BUSINESS

- A. Discussion and Action on Proposed Amendments to HAR Title 4 Chapter 71 Plant and Non-Domestic Animal Quarantine Non-Domestic Animal Import Rules, promulgated by Department of Agriculture (DOA)

Discussion leader Mr. Lee stated that these rules are before public hearing and asked Ms. Tiffany Ho from DOA to discuss the rule proposal.

Ms. Ho explained that DOA is requesting to add the insect *Aprostocetus nitens* to the DOA's List of Restricted Animals to allow its import as biocontrol of the *Erythrina* gall wasp. It was noted that there are no foreseen small business impacts and that it was a good control attempt against the invasive *Erythrina* gall wasps.

Mr. Ritchie made a motion to pass the rules onto the Governor for adoption. Second Vice Chair Shick 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 16 Chapter 89 Nurses, promulgated by Department of Commerce and Consumer Affairs (DCCA)

Discussion leader Ms. Gomes indicated that the rules, which were mainly for adjusting temporary nursing permits, have gone to public hearing.

Ms. Lee Ann Teshima stated that there was no testimony in opposition to the rules at the hearing. However, a ten-day processing time coupled with the permanent application that was requested by some of the public hearing attendees was not approved by the Board of Nurses. This is because the application process is already streamlined as recommended; adding another 10-day period would defeat this purpose.

Second Vice Chair Shick made a motion to pass the rules onto the Governor for adoption. Ms. Gomes seconded the motion, and the Board members voted seven in favor and one recused.-

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, Hawaii Revised Statutes (HRS)

1. Update and Discussion on Becker Communications, Inc., regarding the Board's Small Business Outreach

Representatives from Becker Communications will be taking interviews, videos, and photos of board members for social media immediately after the board meeting.

2. Presentations to Industry Associations

Nothing was reported.

3. Staff's Small Business Outreach

Staff member Ms. Ariola will be undertaking and meeting with the following agencies for small business outreach:

- Purple Maia
- Small Business Chamber of Commerce
- A.I. Conference to be held on April 24th
- Kauai Business Panel on May 31st

Ms. Ariola responded positively when asked if she was interested in presenting at various chambers of commerce that Ms. Atmospera-Walsh was affiliated with, specifically with regards to A.I. Ms. Ariola will follow up with Ms. Atmospera-Walsh.

VI. LEGISLATIVE MATTERS

A. Update, Discussion and Action, if necessary, on the following legislative matters:

1. House Bill 2354 HD1 SD1 Relating to the Small Business Regulatory Review Board – Clarifies that the Small Business Regulatory Review Board has the authority to review legislation affecting small businesses in response to a request from small business owners.

This measure is moving along to Conference Committee with both the House and Senate in agreement with the proposed changes to the statute.

2. Senate Bill 2974 SD2 HD1 Relating to Economic Development – Establishes a Business Revitalization Task Force within the Department of Business, Economic Development, and Tourism to identify methods to improve Hawaii's general economic competitiveness and business climate, including the mitigation of regulatory and tax burdens; requires a report to the Legislature.

This measure is moving along to Conference Committee however, the House and Senate are not in agreement with the proposal.

Mr. Lee noted that there are many very small businesses in Hilo and Kona concerned with and opposed to the increase in the minimum wage hike that was enacted by the State. This is because small businesses are unable to afford such increases. Ms. Atmospera-Walsh also acknowledged Mr. Lee's concerns as it applied to the medical field.

Chair Albitz explained that the minimum wage increase was passed during last year's legislative session. At that time, it was increased to \$12.00, and in the next two years it will be increased to \$14.00.

Because the increase has already been enacted, there is an uncertainty as to what, if anything, can be done to stop or intercept the upcoming wage increases. DBEDT staff will keep the Board members apprised of any updates.

Second Vice Chair Shick indicated that there is a current measure being heard in the legislature where if a family member passes away, there is a huge estate fee incurred by the family.

DBEDT staff will also keep the Board members apprised of the following measure brought forth by Second Vice Chair Shick:

- House Bill 2653 “Relating to the Estate Tax” - This measure conforms Hawaii estate tax laws to the operative provisions of the Internal Revenue Code to decrease the burden on taxpayers and increase the efficiencies in the Department of Taxation’s monitoring and auditing of estate tax returns. Establishes an estate tax deduction for the value of closely held business interests that will help ensure that locally-owned family businesses can continue to contribute to the Hawaii economy and assist families to retain the ownership interest in their family businesses.

VII. NEXT MEETING – Thursday, May 16, 2024 at 10:00 a.m., via Zoom and in conference room 405 at Leiopapa A Kamehameha Building – State Office Tower – 235 S. Beretania Street, Honolulu, HI 96813.

VIII. ADJOURNMENT – Vice Chair Cundiff motioned to adjourn the meeting and Mr. Ritchie seconded the motion; the meeting adjourned at 10:25 a.m.