

Small Business Regulatory Review Board

MEETING MINUTES February 15, 2024

ZOOM Meeting Recording

- I. **CALL TO ORDER:** Chair Albitz called the meeting to order at 10:01 a.m., with a quorum present.

MEMBERS PRESENT:

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

ABSENT MEMBERS:

- William Lydgate
- Sanford Morioka

STAFF: DBEDT

Dori Palcovich
Jet'aime Ariola

Office of the Attorney General

Alison Kato

II. **APPROVAL OF January 18, 2024 MINUTES**

Mr. Ritchie motioned to accept the January 18, 2024 meeting minutes, as amended. Vice Chair Cundiff seconded the motion and the Board members unanimously agreed.

III. **OLD BUSINESS**

- A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed Amendments to HAR Title 13 Chapter 60.11, Kipahulu Community-Based Subsistence Fishing Area, Maui, promulgated by Department of Land and Natural Resources (DLNR) -

Discussion leader and Second Vice Chair Shick noted that the proposed rules are after public hearing and that there was no negative feedback from the testifiers or stakeholders. Testifier, Mr. Ka'uiki Lind, indicated that he has gone through the process with DLNR and is eager for the Governor to approve adoption of the proposed new rules. He also indicated that he appreciated the great work that this Board does for the State of Hawaii.

Mr. Kealii Sagum, Legal Research Specialist, from DLNR's Division of Aquatic Resources stated that the public hearing went very smoothly. Thirty-one people attended the hearing,

and all were in support of the proposed new rule; an additional fifty-seven written testimonies were submitted with no comments for changes or recommendations. The Board of Land and Natural Resources unanimously approved to move the rules forward; the rules had not been modified since they first came to this Board prior to the public hearing.

Mr. Yamanaka stated that he is a big supporter of the community-based subsistence fishing areas and is in full support of these rules. He added that the term “community” includes small businesses and as a result, this Board should have a strong weight into what the community is seeking. This is because the community is best to manage these areas due to DLNR being unable to closely monitor fishing activity in such a large island as the Big Island.

Mr. Yamanaka 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. 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. Discussion and Action on the Board’s Draft 2024 Periodic Review; Evaluation Report

Second Vice Chair Shick motioned to approve the Board’s draft *2024 Periodic Review; Evaluation Report* to the State Legislature. Mr. Ritchie seconded the motion, and the Board members unanimously approved.

2. Update on Becker Communications, Inc., regarding the Board’s Small Business Outreach Purposes

At the Board’s next meeting on March 21st, Becker Communications will be taking pictures and videos of the members during the board meeting. Interviews will also be conducted with some of the members.

3. Discussion and Action on Delegation of Authority to this Board’s Chair to Make Decisions on Administrative Matters with Becker Communications based on Opinions Received Individually from this Board’s Members

Vice Chair Cundiff motioned to authorize Board Chair Mary Albitz to act on behalf of this Board on administrative matters for Becker Communications in conjunction with DBEDT administrative staff and ex officio voting board member, Mr. Mark Ritchie. Second Vice Chair Shick seconded the motion and the Board members unanimously agreed.

4. Presentations to Industry Associations

Vice Chair Cundiff noted that the Hawaii Chamber of Commerce is putting out a big push by creating legislation to support small businesses, such as through small business loans, which is presently getting a great deal of publicity. He suggested that

this Board become involved in such initiatives with the Chamber. As a member of the Chamber, Second Vice Chair Shick will attempt to find out more about the program. In addition, Vice Chair Cundiff explained that the Chamber should be contacted to help support the bills that this Board currently has going through this legislative session. Chair Albitz asked that DBEDT staff contact Alyssa Talbot from the Chamber of Commerce.

Ms. Gomes recently met with the City and County's Office of Economic Revitalization, which is launching a small business task force next week. Mr. Ritchie explained that the platform is made up of several business organizations including government agencies and non-profit organizations to input into an online system. It is expected to be user-friendly and is intended to help small businesses navigate through the system when looking for specific business assistance.

Second Vice Chair Shick added that House Bill 1654 HD2 Relating to Education is a bill that establishes a qualified internship grant program within the Department of Education to provide grants to businesses and organizations that employ qualified interns participating in work-based learning through a qualified program.

Chair Albitz noted that after last month's meeting, she participated in the Chamber of Commerce's "walk-around" at the State Capitol and an after-hours event. She Distributed her business cards to various legislators and made sure they were aware of and familiar with this Board and what its purview is. She added that the tone in the legislature appears to be super supportive of the Chamber's small business initiative.

Staff's Small Business Outreach

Ms. Ariola mentioned that Mr. Ritchie will be assisting with this Board's outreach by connecting with the Small Business Development Center, which is located on Oahu and on the Big Island.

V. LEGISLATIVE MATTERS

A. Discussion and/or Action on the following legislative matters:

1. House Bill 2354 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 scheduled to be heard tomorrow, February 16th at 2:00 p.m., in the Judiciary & Hawaiian Affairs Community. Chair Albitz will be attending the meeting virtually.

2. Senate Bill 3043 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, and the next step is for the bill to be heard in the Senate Judiciary Committee, of which, a letter was sent to the Chair of the Committee to schedule a hearing.

3. Senate Bill 2984 Relating to Small Business – Establishes the Hawaii Capital Loan Revolving Fund to be used to make loans to businesses located in nationally-declared disaster areas relating to the 2023 Maui wildfires and to, in part, administer the Maui Business Bridge Grants Program. Declares that the general fund expenditure ceiling is exceeded; makes an appropriation.

Mr. Ritchie stated that several years ago, DBEDT offered a Capitol Loan Program, but the Legislature has since gutted part of the program, which was a funding mechanism that was a revolving loan fund. Thus, the program still exists but there is currently no funding available. Senate Bill 2984 re-creates the funding mechanism and provides verbiage to make loans to businesses located in nationally declared disaster areas relating to the 2023 Maui wildfires and to, in part, administer the Maui Business Bridge Grants Program.

The testimony that DBEDT drafted for this bill requests a loan officer position to handle the Program and that the bill's passage does not replace or adversely impact the priorities in the Executive Budget. It was indicated that today is the last day for scheduling, so if it is not scheduled by today, the bill is dead.

Some of the board members expressed concern with providing support for this bill due, in part, to the fact that there are so many bills like this one currently being heard in the legislature. Mr. Ritchie added that the Federal Small Business Administration has various programs like this one in the bill, and questioned how the Board would dove-tail with the other programs. Chair Albitz recommended that the Board skip supporting this bill for the time being, but if any of the members were interested in supporting the bill individually to please feel free to.

Ms. Gomes mentioned that she attended a meeting in Maui regarding the aftermath of the Maui fires and provided this Board's website and explained the Board's purview. Chair Albitz shared interest to attend future meetings in Maui regarding the rejuvenation of Maui.

4. GM 595 – Submitting for consideration and confirmation as the Director, Department of Business, Economic Development, and Tourism, Gubernatorial Nominee, James Kunane Tokioka, for a term to expire 12-31-2026.

No action is needed on this "information only" item.

5. House Bill 1956 Relating to Economic Development – Establishes a business revitalization task force to identify methods to improve Hawaii's general

economic competitiveness and business climate, including by mitigating regulatory and tax burdens; requires a report to the legislature.

The Legislature added that a member of this Board be included in the revitalization taskforce, that terminates in 2026; of which, the Chair of Board would appoint such a member. Ms. Gomes volunteered to be appointed to this taskforce.

Mr. Ritchie motioned for this Board to provide testimony in support of House Bill 1956. Mr. Yamanaka seconded the motion and the Board members unanimously agreed.

- VI. NEXT MEETING** – Thursday, March 21, 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.
- VII. ADJOURNMENT** – Second Vice Chair Shick motioned to adjourn the meeting and Mr. Ritchie seconded the motion; the meeting adjourned at 10:55 a.m.