

## Small Business Regulatory Review Board

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### MINUTES OF REGULAR MEETING

July 16, 2014

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

- I. **CALL TO ORDER:** Chair Borge called the meeting to order at 9:30 a.m. with a quorum present.

**MEMBERS PRESENT:**

- Anthony Borge
- Craig Takamine
- Barbara Bennett
- Kyoko Kimura
- Mark Ritchie

**ABSENT MEMBERS:**

- Harris Nakamoto

**STAFF:** DBEDT

Dori Palcovich

Office of the Attorney General

Margaret Ahn

### II. APPROVAL OF JUNE 18, 2014 MINUTES

Second Vice Chair Bennett made a motion to accept the June 18, 2014 minutes, as amended. Ms. Kimura seconded the motion, and the Board members unanimously agreed.

### III. NEW BUSINESS

- A. Discussion and Action on Proposed Amendments promulgated by Department of Commerce and Consumer Affairs (DCCA) for Hawaii Administrative Rules (HAR) Title 16, Chapter 85, Medical Examiners, Section 8, Examination and Re-examination

Ms. Constance Cabral, Executive Officer from DCCA, explained that the Hawaii Medical Board determined that the current rules are unreasonably restrictive as they bar physicians who would otherwise be qualified from being licensed in Hawaii. The current rules require applicants to pass all three steps of the required United States Medical Licensing Examination within seven years. Ms. Cabral stated that the State's Medical Board considered this rule to be excessively onerous because applicants not meeting this requirement must retake the steps to bring the applicants in-line with the seven-year rule in order to be licensed. Applicants are then faced with the cost of the examination and the time to prepare for it. In order to encourage qualified physicians to practice in Hawaii and to attempt to not exacerbate the shortage that Hawaii currently faces, the proposed amendments delete the subsection(s) of this chapter requiring that applicants must pass all three steps for this exam within seven years.

It was noted that rather than being an impact to small business, the amendments would be more of an advantage, and overall, beneficial as the rules are less restrictive, and are ultimately expected to encourage more, qualified physicians to practice in Hawaii.

Ms. Kimura made a motion to move the proposed amendments to public hearing. Second Vice Chair Bennett seconded the motion, and the Board members unanimously agreed.

B. Discussion and Action on Proposed Amendments promulgated by DCCA for HAR Title 16, Chapter 110, Physical Therapy

Mr. Alan Taniguchi, Executive Officer from DCCA, explained that the main purpose of the amendments is to allow the State to license physical therapist assistants (PTA's), as TPA's are currently unlicensed. Hawaii is only one of two states that currently does not have regulations licensing PTA's.

Chair Borge stated that the effect on business looks to be positive.

Ms. Kimura made a motion to send the proposed changes to public hearing. Mr. Ritchie seconded the motion, and the Board members unanimously agreed.

C. Discussion and Action on Proposed Amendments promulgated by Department of Business, Economic Development and Tourism (DBEDT) for HAR Title 15 Chapter 6, Enterprise Zones

Mr. Ritchie stated that the area in which he works at DBEDT, Business Development and Support Division, handles the Enterprise Zones' administrative rules. Mr. Wayne Thom, Community Economic Development Manager, is the manager of these rules. Mr. Thom discussed the history of the rules and noted that since 1997 when he began with the division, the rules have not been changed; therefore, the proposed changes are to bring the rules up-to-date.

The enterprise zone program creates and determines what zones in the counties, chosen by the state, are economically depressed areas. These areas allow businesses to be eligible for a reduction in income taxes and the businesses would be required to create a certain percentage in jobs. There are currently about 270 businesses in this program. Overall, this program only enhances and benefits small business; there is no negative aspect of these rules or of the program itself.

Testifier, Mr. Thomas Smyth, stated that he helped create these rules in 1986 when he worked for the state, and encouraged this Board to support the changes to the rules. He noted that in 1993, Maui was the first county to "opt in" the program with specific census tracts. This program is the only program in the state where the counties have a major role in setting up the program with each county has its own enterprise zone coordinator.

Chair Borge stated that this is a good business program as it encompasses a vast array of industries and assists the economy in creating jobs.

Vice Chair Takamine made a motion to send the proposed changes to public hearing. Ms. Kimura seconded the motion, and the Board members unanimously agreed.

#### **IV. ADMINISTRATIVE MATTERS**

##### **A. Review of Board Member Discussion Leader Assignments for the State Departments and Counties' Administrative Rule Review**

Chair Borge stated that in regards to this Board reviewing the rules from the rule-drafting agencies, he thought it best to align the agencies' rules with the expertise and business background of each board member. He distributed a list with suggested agency assignments, noting that it will change when more members come on board; there are also no back-up discussion leaders yet assigned. The proposed list is, as follows:

- Chair Borge – Governor's Office, Attorney General's Office, Department of Accounting and General Services
- Vice Chair Takamine - Department of Land and Natural Resources, Lieutenant Governor's Office, University of Hawaii
- Second Vice Chair Bennett – Department of Agriculture, Public Utilities Commission, Department of Hawaiian Home Lands
- Ms. Kimura – Department of Transportation, Department of Commerce and Consumer Affairs, Department of Labor and Industrial Relations
- Mr. Nakamoto – Department of Health, Department of Human Services, Department of Human Resources Development
- Mr. Ritchie – Department of Public Safety, Department of Taxation, Department of Defense, Department of Business, Economic Development and Tourism, Department of Budget and Finance

**V. NEXT MEETING** – Scheduled for Wednesday, August 20, 2014, 250 South Hotel Street, Honolulu, HI, Room 436.

**VI. ADJOURNMENT** – Second Vice Chair Bennett made a motion to adjourn the meeting and Ms. Kimura seconded the motion; the meeting adjourned at 10:30 a.m.