

Small Business Regulatory Review Board

MEETING MINUTES - **DRAFT** MAY 15, 2025

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

MEMBERS PRESENT:

- Jonathan Shick, Chair
- Mary Albitz, Vice Chair
- Garth Yamanaka
- Mark Ritchie
- Tessa Gomes
- Robert Cundiff
- Nikki Ige
- James (Kimo) Lee
- Jennifer Salisbury

ABSENT MEMBERS:

- Sanford Morioka, 2nd
Vice Chair

STAFF: DBEDT

Dori Palcovich
Jet'aime Ariola

Office of the Attorney General

Alison Keto

II. **APPROVAL of April 17, 2025 MINUTES**

Vice Chair Albitz motioned to approve the April 17, 2025 meeting minutes as presented. Mr. Ritchie seconded the motion, and the Board members unanimously agreed.

III. **NEW BUSINESS**

- A. Discussion and Action on the Small Business Impact Statement and Proposed Amendments to Hawaii Administrative Rules Title 4 Subtitle 6 Chapter 66 Pesticides, promulgated by Department of Agriculture (DOA's)

Discussion leader Ms. Ige introduced Mr. Greg Nakashima, Program Manager and Mr. Scott Nishimoto, Environmental Health Specialist from DOA's Division of Plant Industry, and asked that they walk the members through the proposed amendments regarding the increase in penalties surrounding pesticides' violations.

Mr. Nishimoto provided the members with background of this chapter noting that the last time the rules were amended was in 2019. Currently, two events necessitated the proposed amendments to the rules: 1) the state's certification plan that was approved by the federal EPA (Environmental Protection Agency) on November 28, 2022, and 2) Act 220, SLH 2023.

The state's certification plan will mirror the federal certification plan. Changes in Act 220 Include the following fines: \$5,000 to \$10,000 for licensee or registrant of pesticide products, certified commercial pesticide applicators, licensees or permittees authorized to sell or distribute RUP's, and \$1,000 to \$5,000 for certified pesticide applicators.

Further, the proposed \$1,000 and \$5,000 fees have not been increased in 20+ years. The \$5,000 and \$10,000 fees and fines are being increased by 400% and 100%, respectively. The fines reflect "maximum" civil penalties, not "minimum" civil penalties. This allows the Division to impose fines at a lower level and then slowly increase them with repeat offenses of pesticides violations.

In response to Vice Chair Albitz's inquiries regarding what the small business impact is and how businesses will be notified of the changes, Mr. Nishimoto responded that DOA's advisory committee on pesticides, which is made up of 12 members, consists of members from industries that are directly impacted by these rules. These industries are diversified agriculture, structural pesticide industry, the landscaping industry, and the coffee industry. The members have provided feedback on the amendments.

Mr. Nishimoto added that by researching past notices of violations and civil penalty violators over the past 5 years, it was found that the average civil penalty ranged from \$250 to \$500. He added that there are several levels of review performed before penalties are incurred with first-time violators of the law receiving only a penalty notice. Maximum penalty increases will only affect repeat offenders of the pesticides' laws.

Mr. Ritchie motioned to send the proposed amended rules to public hearing. Mr. Yamanaka 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. Update on the Business Revitalization Taskforce's most recent meeting pursuant to Act 142 (Sessions Law Hawaii 2024, Senate Bill 2974 Relating to Economic Development, and Tourism establish a task force in order to identify methods to improve Hawaii's general economic competitiveness and business climate, including the mitigations of regulatory tax burdens

Chair Shick stated that due to Mr. Yamanaka terming out as an SBRRB member, board member Ms. Gomes will take over as a member of the Business Revitalization Taskforce. DBEDT staff will notify the proper person about Ms. Gomes transitioning into the member slot of the taskforce.

Mr. Yamanaka attended the last taskforce meeting where the PIG's (permitted interactive groups) were disbanded, and a report was provided to the group; this report is available online. He believed that the results of the taskforce were not going along as expeditiously as expected which may likely result in a time crunch to submit a final report to the legislature prior to the next legislative session.

PIGs will be reformed to arrive at various suggestions to be included in the final report to the legislators.

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

Chair Shick attended the meeting with DBEDT staff and Becker Communications a few weeks ago. It was agreed that going forward Becker will be handling this Board's e-newsletter for final editing and distribution.

3. Presentations to Industry Associations

Ms. Ige's employer, Kauai Federal Credit Union, will be hosting a business panel next week regarding leasing structures for commercial leases, and hosted by a commercial property manager. She plans to distribute this Board's brochures at the event.

4. Staff's Small Business Outreach

Ms. Ariola will be attending DBEDT's "Hawaii Made" event at the Hawaii Convention Center on May 20th for networking and outreach purposes to the local small businesses. Mr. Ritchie stated that between 125 and 150 attendees are expected.

V. LEGISLATIVE MATTERS

A. Update on the following:

1. Senate Bill 1343 SD1 HD2 – Relating to the Small Business Regulatory Review Board – Amends the quorum requirements to do business and validate acts of the Small Business Regulatory Review Board.

SB 1343 SD1 HD2 CD1 was passed during the legislative session and has been enrolled to the Governor on May 2, 2025.

2. House Bill 1406 HD1 SD1 CD1 Relating to Government Procedures – Establishes the Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force to identify actions, challenges encountered, and legislative measures necessary to facilitate, expediate, and coordinate state and legislative measures necessary to facilitate, expedite and coordinate state and intergovernmental development permit processes; and appropriates funds.

HB 1406 HD1 SD2 CD1 was passed during the legislative session and has been transmitted to the Governor on May 1, 2025.

The SPEED Task Force encompasses several members, one of which is a member of this Board. Chair Shick asked if any board member is interested in volunteering as a member of the SPEED Task Force to let him or staff

know; however, if no one else is interested, he is willing to fill that role due to his construction industry background.

In light of Mr. Yamanaka's 10 years of service on this Board, Chair Shick presented and read a "Special Message" from the Governor. Congratulations to Mr. Yamanaka; he will be sorely missed.

In addition, congratulations go out to Mr. Ritchie who announced that he will be retiring from DBEDT at the end of May. Thus, his ex officio delegation will be given to another DBEDT employee. He expressed great pleasure in working with the board members and an appreciation for being part of this well-needed Board for Hawaii small businesses.

- VI. NEXT MEETING** – Thursday, June 19, 2025 at 10:00 a.m., via Zoom and in Conference room 436 at No. 1 Capitol District Building, 250 S. Hotel Street, Honolulu, HI 96813.
- VII. ADJOURNMENT** – Vice Chair Albitz motioned to adjourn the meeting and Ms. Ige seconded the motion; the meeting adjourned at 10:43 a.m.