

Small Business Regulatory Review Board

MEETING MINUTES

October 16, 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, Second Vice Chair
- Nikki Ige
- Dr. Jennifer Salisbury
- James (Kimo) Lee
- Leelen Park
- Cynthia Hobson
- David Sikkink

ABSENT MEMBERS:

- Tessa Gomes
- Sanford Morioka, 2nd Vice Chair

STAFF: DBEDT

Dori Palcovich
Jet'aime Ariola

Office of the Attorney General

Alison Kato

II. APPROVAL of SEPTEMBER 18, 2025 MINUTES

Dr. Salisbury motioned to approve the September 18, 2025 meeting minutes, as presented. Second Vice Chair Albitz seconded the motion and the Board members unanimously agreed.

The Board's newest member, Ms. Cynthia Hobson, was introduced by Chair Shick. Ms. Hobson's background for the past twenty years has been in business development. She is a past member of Honolulu Sister Cities under Mayor Jeremy Harris and expressed being gracious to be a part of this Board.

III. OLD BUSINESS

- A. Discussion and Action on the Small Business Statement After Public Hearing and Proposed New HAR Title 4 Chapter 159, Agricultural Enterprise Program Rules, promulgated by Department of Agriculture and Biosecurity (DAB)

Discussion leader Ms. Ige noted that these after public hearing rules are about agriculture production within state lands and added that the rules will help small businesses.

Ms. Kori Koike, Planner at DAB's Agricultural Resource Management Division, explained that the proposed new rules were published for public hearing in June 2025 with the hearing held on July 30, 2025. No testimonies or comments were made at the hearing. As such, the rules

presented were the final version of the draft rules, which are ready to be adopted upon this Board's consideration.

Ms. Ige motioned to send the proposed new rules to the Governor for adoption. Mr. Park seconded the motion, and the Board members unanimously agreed.

IV. NEW BUSINESS

A. Discussion and Action on the Small Business Impact Statement and Proposed Amendments to HAR Title 16 Chapter 23, Motor Vehicle Insurance Law, promulgated by Department of Commerce and Consumer Affairs (DCCA)

Mr. Matt Tsujimura, General Counsel at DCCA's Insurance Division, stated that the proposed changes to the rules apply to any business that has motor vehicle insurance or that owns or operates motor vehicles. The amendments align the rules with State law effective January 1, 2026.

In 2024, the law increased the insurance liability for all motor vehicles. Prior to this, the limits were \$20,000 per person, \$40,000 per accident and \$10,000 per property damage. Because those limits have been doubled, the proposed administrative rules will reflect these changes so there is no discrepancy. The very end of Exhibit 2 in the Board's Agenda Packet reflects several technical non-substantive changes that are also shown throughout the rules.

The last time these rules were updated was in 2021. In terms of small business impact, for all those small businesses that own motor vehicles, the liability limits will be doubled, which may likely increase insurance premiums.

Second Vice Chair Albitz motioned to send the proposed amended rules to public hearing. Mr. Sikkink seconded the motion, and the Board members unanimously agreed.

B. Discussion and Action on the Small Business Impact Statement and Proposed Amendments to HAR Title 18 Chapter 235, Income Tax Law, promulgated by Department of Taxation

Discussion leader, Ms. Ige stated that the rules relate to Pass Through Entity (PTE) taxation. Ms. Eliza Watson, substituting for Administrative Rules Specialist Mr. Clinton Piper, explained that 2023 was the first year PTE took effect, which is completely optional and has no significant revenue impact on the state. Some taxpayers may want to elect PTE taxation because it may allow them to avoid a cap on their state and local tax deductions on their individual federal income tax returns.

The proposed rules will assist entities to make the election for PTE taxation. Key provisions of the proposal include electronic filing and payment requirements, estimated quarterly payments with interest penalties for late estimated payments, and a final extension payment to qualify for an automatic extension to elect.

The manner of election provides that it must be made together with the income tax filing for the entity. Once the opt-in feature is made, it is not revocable for that year. Ms. Ige

confirmed that the rules allow businesses to opt-in at any time, but once they opt-in, they are in for that year. In addition, it establishes a safe harbor. For example, if a business elects PTE for a year, a business can either estimate its taxes, or it can be based on the prior year.

Ms. Ige motioned to send the proposed amended rules to public hearing. Dr. Salisbury seconded the motion, and the Board members unanimously agreed.

C. Discussion and Action on the Small Business Impact Statement and Proposed Amendments to HAR Title 12 Subtitle 8 Part 11 Chapter 229, General, Administrative and Legal Provisions, promulgated by Department of Labor and Industrial Relations (DLIR)

Second Vice Chair Albitz stated that the proposed rule amendments are to update the fees and standards, and to improve facilities. Mr. William Kunstman, Deputy Director at DLIR, explained that the Elevator Branch is self-financing; as such, the branch handles all the collected fees. In 2014, there was a major overhaul of the rules and every few years thereafter, DLIR comes back to this Board for housekeeping changes and more efficient processes.

The last time the rules were brought to this Board was in 2021. The current proposal entails increasing the fees by approximately twenty-five percent. This reflects the increased cost for staffing that includes collective bargaining increases, overhead, and fringe benefits for the entire staff.

One of the rules' major changes allows for the use of the new International Building Code editions, which were developed through DLIR's ongoing engagement with the elevator industry. Another major change involves allowing for the actual elevator permit to be accessible during working hours at a specific location.

Testifier, Mr. Chuck DeCorto, Hawaii Branch Operations Manager with TK Elevator, provided support of the proposed administrative rules including the proposed increase in the fees. Following up on Mr. DeCorto's testimony, Mr. Kunstman explained that DLIR and the contractors are in consistent conversation with each other. While there are challenges having to do with all the required inspections, the safety issues with existing elevators and significant new installations are of most concern, thereby, resulting in a backlog of annual inspections. Recruitment of elevator inspectors is also a challenge due to being a specialized industry that has a limited pool of qualified elevator inspectors.

Dr. Salisbury thanked Mr. Kunstman and his team for the extensive analysis, power point presentation and hard work that was put into these pre-public hearing rules; the hard work is greatly appreciated.

Second Vice Chair Albitz motioned to send the proposed amended rules to public hearing. Dr. Salisbury seconded the motion, and the Board members unanimously agreed.

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. 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

Deferred until next meeting.

2. SPEED (Simplified Permitting for Enhanced Economic Development) Task Force's most recent meeting pursuant to Act 133, SLH 2025 – Establishes the SPEED Task Force to identify actions taken, challenges encountered, and legislative measures necessary to facilitate, expediate, and coordinate state and intergovernmental development permit processes; and appropriates funds

Dr. Salisbury updated the members on the SPEED taskforce which has created three permitted interaction groups where she has volunteered on all three groups. These groups are for: 1) 6E Compliance for State Historic Preservation District, 2) Department of Health's Individual Wastewater System (IWS), and 3) Building permits. These groups will sporadically meet weekly for about two hours per meeting until the week of Thanksgiving.

She noted that there have been two 6E Compliance meetings, two IWS meetings, and one building permit meetings. To date, she has submitted 18 recommendations from these meetings, which includes a SWAT analysis. There is expected to be a second SPEED meeting on January 6, 2026. Dr. Salisbury will plan to attend this Board's next meeting on November 20th when another SPEED group meeting will be held on the same day at 2:00 p.m.

Dr. Salisbury was thanked for her hard work on this taskforce. If any of the Board members are able to provide questions, concerns, or issues regarding SPEED's purview, please let her know.

3. Becker Communications, Inc., regarding the Board's Small Business Outreach

Nothing was reported. DBEDT staff are scheduled to meet with Becker Communications quarterly; the next meeting is in December.

4. Presentation to Industry Associations

Dr. Salisbury and Ms. Albitz will be "manning" a booth at the Maui AIA business expo on October 29th sponsored by DBEDT from 8:30 a.m. to 1:30 p.m.

Chair Shick will bring the collateral material for the booth to Dr. Salisbury tomorrow as he will be in Maui then.

Dr. Salisbury and Ms. Albitz met via Zoom with the staff at Maui Mayor's office recently for preliminary discussion on this Board having a public meeting in Maui with the Office of the Mayor and the Maui Chamber of Commerce in attendance. We are awaiting to hear back with primary and secondary dates.

5. Staff's Small Business Outreach

DBEDT staff met with representatives from the Grassroot Institute of Hawaii on October 14th; they are interested in supporting and becoming familiar with this Board's purview. Grassroots Institute is known to be a strong advocate and lobbyist for Hawaii small businesses. They will be scheduled to attend the next Board meeting to see what the Board does and to introduce the Institute to the members.

Ms. Ariola requested that all neighbor island members, who are planning to attend board meetings in person, to let her know as soon as possible due to modifications that have been made in the State's travel procurement procedures and processing.

VI. NEXT MEETING – Thursday, November 20, 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 – Ms. Ige motioned to adjourn the meeting and Dr. Salisbury seconded the motion; the meeting adjourned at 11:01 a.m.