

Small Business Regulatory Review Board

MINUTES OF REGULAR MEETING

December 6, 2005

No. 1 Capitol Building 250 South Hotel Street Room 410

I. **CALL TO ORDER:** Vice Chair Handgis called the meeting to order at 10:35 a.m., with a quorum present.

MEMBERS PRESENT:

- George Handgis
- Michael Yee
- Jeanette C. Otsuka
- Dorvin Leis
- Donald Dymond
- Sharon Pang
- Charles Au

ABSENT MEMBERS:

- Ed MacDowell
- Lynne Woods

STAFF: DBEDT Office of the Attorney General
Dori Palcovich Margaret Ahn
Thomas Smyth
Carol Reeves

GUESTS: Alan Matsunami, Program Specialist, Department of Human Services
Richard Rice, Administrator, Division of Boating and Ocean Recreation, Department of Land and Natural Resources
John Corbin, Manager, Aquaculture Program, Department of Agriculture

WORKING LUNCH AS THE MEETING PROGRESSED

II. **APPROVAL OF MINUTES:** Minutes of the November 8, 2005 meeting were approved as presented.

III. **PUBLIC TESTIMONY:** Public testimony is included with each agenda topic discussed.

IV. **INTRODUCTION OF NEW BOARD MEMBER:** Vice Chair Handgis welcomed Mr. Charles Au as a new Board member and noted that Mr. Au will be assigned as the "discussion leader" for the Department of Taxation; to which Mr. Au agreed.

V. **OLD BUSINESS**

- A. Review and discussion of post public hearing statement of HAR Chapter 17-1722, "State Pharmacy Assistance Program" (DHS) – Mr. Alan Matsunami, Program Specialist, indicated that the purpose of the rules is to provide for co-payments of the newly established drug program that Medicare undertook. The program, which takes effect on January 1, 2006, covers the required co-payments for generic and brand drugs for the duly eligible. The pricing that the pharmacists charge is not mandated by the State and is non-negotiable. It was noted that only three individuals attended the public hearing and no written or oral testimony submitted. Mr. Dymond recommended that the rules proceed for adoption; the Board unanimously agreed.

Legislative update, including update on Economic Momentum Commission – Mr. Smyth indicated that the Economic Momentum Commission has received positive press, noting that this is a privately funded organization. After the conclusion of two meetings, the Commission has decided to concentrate on 35 separate issues, but only a few of them would affect small business. Mr. Smyth also updated the members on DBEDT's administration bills to be presented during the 2006 legislative session; there are only four or five new bills in addition to the existing bills from the 2004 session with one or two relating to small business.

VI. NEW BUSINESS

- A. Review and discussion of HAR Chapter 13-234, "Mooring Rates at State Boating Facilities" (DLNR) – Mr. Richard Rice, Administrator, explained that DLNR began drafting these rules a few years ago because the harbors were in such disrepair; subsequently, the boaters and DLNR have partnered together to streamline the rules. The proposed rules were recently presented and approved by the Board of Land and Natural Resources; the commercial operators presented their own but identical package to the legislature, which was passed and is now statute. The remaining portions of the rules are geared toward recreational boaters but have been greatly reduced from the original proposal; the rules reflect an increase in recreational mooring, ramp, and slip fees and also references other mooring "without permit" fees. Much discussion ensued regarding the rate increases; the fee increases will range from 25% to 40%, and also include other fees that are conditional upon CIP packages. Vice Chair Handgis abstained from voting due to business conflicts, but noted that he personally was very much in support of the rules. Mr. Dymond recommended that the Board support that these rules proceed to public hearing; the Board unanimously agreed.
- B. Review and discussion of proposed HAR Chapter 4-11, "Establishing Administrative Rules and Fees for Aquaculture Services for the Aquaculture Development Special Fund" (DOA) – Mr. John Corbin, Manager, explained that the definition of aquaculture is the culture and farming of aquatic plants and animals for profit or social benefit. Currently, there are over 100 aquatic farms on the Hawaiian Islands with a value of the industry at approximately \$28.4 million. He discussed that the proposed new fund will be used to implement statewide aquatic disease management programs and industry assistance activities, including a provision of state funds to match federal grants, and to support selected research and development programs and activities related to the expansion of the Hawaii aquaculture industry. Many questions and answers ensued. Ms. Chang recommended that the rules proceed to public hearing and that the agency inform all those who will be affected by these rules to be notified; Ms. Pang also recommended that those entities impacted should be explained why the rules are needed and that the fees are in essence a means to a positive end. The Board unanimously agreed.

VII. UP-DATE AND OUTCOME OF STRATEGIC PLAN

- A. Review of proposed changes to the Small Business Regulatory Review Board Website – Members reviewed the proposed website changes; suggestions included adding the business advocate information and streamlining the verbiage.

VIII. **REPORT FROM THE CHAIR** – Vice Chair Handgis mentioned that Ms. Reeves may no longer be working with the Board after the end of 2005; the members thanked her and wished her well.

IX. **REPORT FROM COMMITTEES** – Nothing was reported.

X. **REPORT AND UPDATE FROM BOARD MEMBERS** – Members agreed that both a brochure and a power point presentation should be done, concurrently. Ms. Chang offered to work on the brochure for presentation at the February 2006 meeting.

XI. **ANNOUNCEMENTS** – Ms. Palcovich mentioned that, although HAR Chapter 16-81, "Relating to Motor Vehicle Express Warranty Enforcement (Lemon Law)" was deferred until this month, because the rule has been adopted by the Governor, Chair Woods opted to delete it from the agenda.

Mr. Smyth provided the members with information on various states' safety inspection programs. This is a follow-up to last month's review of HAR Chapter 19-133.2, "Periodic Inspection of Vehicles." He indicated that 21 states currently require vehicle safety inspections. Also, Mr. Smyth passed out a survey result entitled *Political Participation*, without comment, from the National Federation of Independent Businesses, which outlines various surveys on small business' political participation.

It was announced that Chair Woods will be on the PBN television show with Howard Dicus on Friday, December 9th, on cable channel 10 at 7:30 p.m.

Ms. Pang mentioned that she and Mr. Yee received the Department of Health's 201M-7 periodic review and evaluation report, indicating that some of the rules date back 20 years; one in particular relates to home health agencies which impacts many areas of the industry. As noted by Ms. Chang,

because it was agreed during the strategic planning session that the Board would be more proactive in requesting specific information from the agencies, Ms. Pang was assured that requesting a full review by the agencies on certain rules was well within the Board's purview.

XII. NEXT MEETING - Tuesday, January 10, 2006, No. 1 Capitol Building, Room 410.

XIII. ADJOURNMENT – Vice Chair Handgis adjourned the meeting at 12:48 p.m.