

## Small Business Regulatory Review Board

### MINUTES OF REGULAR MEETING

February 17, 2010

Conference Room 410 - No. 1 Capitol District Building, Honolulu, Hawaii

I. **CALL TO ORDER:** Chair Woods called the meeting to order at 11:01 a.m., with a quorum present.

**MEMBERS PRESENT:**

- Lynne Woods
- Charles Au
- Bruce Bucky
- David De Luz Jr.
- Dorvin Leis
- Sharon Pang

**ABSENT MEMBERS:**

- Donald Dymond
- Richard Schnitzler
- Peter Yukimura

**STAFF:**        DBEDT                                Office of the Attorney General  
                  Milton Kwock                                Margaret Ahn

II. **APPROVAL OF DECEMBER 16, 2009 MINUTES**

Mr. De Luz Jr. recommended that the December 16, 2009 minutes be approved as circulated. Ms. Pang seconded the motion and the Board members unanimously affirmed the motion to accept the minutes as circulated.

III. **OLD BUSINESS**

- A. Review and discussion of DLNR's audit report focusing on Division of Boating and Ocean Recreation as requested by Board – DLNR Chair Laura Thielen was not able to attend meeting due to schedule conflict and requested that the Board defer discussion until March meeting. Chair agreed to defer discussion until March meeting. The Board requested the audited reports to scrutinize the allocation of revenue and expenditures and to review the auditor's management comments.
- B. Review and discussion of post public hearing statement of HAR Chapter 13-146, "Hawaii State Park System" (DLNR) – DLNR Chair Thielen was not able to attend the meeting due to schedule conflict and requested that the Board defer discussion until March meeting. Chair Woods agreed to defer discussion until March meeting.
- C. Review and discussion of post public hearing statement of HAR Chapter 11-54, "Water Quality Standards" (DOH) – After reviewing the post hearing statement, Mr. Au made a motion to send memo to the Governor to recommend approval of proposed amendments. Mr. Leis seconded the motion and the Board unanimously agreed to the motion.
- D. Review and discussion of post public hearing statement of HAR 11-44, Radiologic Technology Board/Radiologic Technology Rules" (DOH) – After hearing testimony from Mr. Russell Takata, representing the DOH, Ms. Pang made a motion to send memo to the Governor to recommend approval of proposed amendments. Mr. Bucky seconded the motion and the Board unanimously agreed to the motion.
- E. Review and discussion of post public hearing statement of HAR 16-185, "Annual Audited Financial Reporting" (DCCA) – Chair Woods deferred discussion to March meeting.
- F. Review and discussion of posted public hearing statement of proposed Subchapter 8, "Life Settlements" under HAR 16-171, "Miscellaneous Insurance Rules" (DCCA) – After reviewing the post hearing

statement, Mr. DeLuz Jr. made a motion to send memo to the Governor to recommend approval of proposed amendments. Mr. Au seconded the motion and the Board unanimously agreed to the motion.

- G. Review and discussion of post public hearing statement of HAR 16-71, "Relating to Certified Public Accountants and Public Accountants" (DCCA) – No representatives from accounting industry, DCCA Professional & Vocational Licensing Division or the Board of Accountancy present.

Board discussed the proposed amendments. Impression by some Board members is that members of the Hawaii Association of Public Accounts (HAPA) whose membership is made up of mostly small to medium-sized firms would be impact the most. Mr. Au felt that rule changes are needed and the amendments that address rules of reciprocity would bring Hawaii closer to the vast majority of other states.

Mr. Au made a motion recommending that the Board invite HAPA, DCCA/PVL and other accounting industry stakeholders to the March meeting and to take a look at the 19 HAPA points of contention regarding the proposed amendments to HAR 16-71. Mr. De Luz Jr., seconded the motion and the Board unanimously agreed to the motion.

- H. Update on departments reporting in response to Governor's Administrative Directive 09-01 – Update deferred as DBEDT staff was able to compile information for the Board in time for February meeting.

#### IV. **NEW BUSINESS**

- A. Review and discussion of proposed amendments to HAR Chapter 18-231, "Administration of Taxes" (DoTax) – Mr. Joseph Tichy, representing DOTAX, explained that Act 134 (2009). The Board requested copies of HAR 18-231 and made several recommendations as to scalable fee schedules and issuing of notices of violations. The Board will continue discussion of rules at the March 2010 meeting.
- B. Nomination of new board member to fill vacant Board position – The Board discussed the nomination of Mendy Dant to fill a vacant position on the Board.

Mr. Leis made a motion to approve the nomination of Ms. Dant and recommended that a memo be sent to the Governor with the Board's recommendation. Mr. De Luz, Jr., seconded the motion and the Board unanimously agreed to the motion.

- C. Invitation to gubernatorial candidates to SBRRB meeting – The Board recommended that the candidates be invited after the filing deadline which is in July 2010. Follow-up will be taken up at the June Board meeting.
- D. Volunteer legislative liaison – Ms. Pang made a motion to select Tom Smyth as the volunteer SBRRB legislative liaison. The liaison would track bills and resolutions with a potential small business impact and would report on legislation to the Board. The liaison would not be providing testimony on behalf of the Board. Mr. Bucky seconded the motion and the Board unanimously agreed to the motion.
- E. Discuss Board members contact information on SBRRB website – Board members present agreed to leave their contact email addresses on the SBRRB website. Testimony directed to individual members would be shared with all Board members.

#### V. **REPORT FROM CHAIR**

- A. Informational update of legislation – 2010 Legislature  
Board discussed pending legislation which would increase unemployment insurance premiums as well as the taxable wage base, mandatory sick leave (dead), requirement to hire 80% Hawaii employees on select government contracts, funding of DBEDT with fees assessed by DCCA, video conference meetings and increase in GET rates.
- B. Update and discussion of SB2145, "Relating to the Small Business Regulatory Review Board," and companion bill HB2065 – SB2145 SD1 makes the distinction of allowing the Board to appoint its own staff and set salary. This may present challenges with DHRD and the Union. The Board also brought up the issue of needing stable program funding of operational expenses.

**VI. REPORT FROM BOARD MEMBERS** – None.

**VI. ANNOUNCEMENTS** – None

**VII. NEXT MEETING** – Wednesday, March 17, 2010, 250 South Hotel Street, Honolulu, HI, Room 410.

**IX. ADJOURNMENT** – The meeting adjourned at 2:07 p.m.