

FIFTY-FOURTH DAY

Monday, April 22, 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 12:12 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Ms. Joann Yoon Fukumoto, Peace with Justice Educator of the California Pacific Annual Conference United Methodist Church, after which the Roll was called showing all members present with the exception of Representatives Hiraki, Kahikina and Takai who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Third Day was deferred.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 669 through 673) were received and announced by the Clerk:

Sen. Com. No. 669, transmitting H.B. No. 2307, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC TRANSACTIONS," which passed Third Reading in the Senate on April 19, 2002.

Sen. Com. No. 670, dated April 19, 2002, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following House Bills:

H.B. No. 1761, HD 1, SD 2
Chair(s): Menor
Co-Chair(s): Matsuura/Taniguchi
Member(s): Fukunaga, Matsunaga

H.B. No. 1777, HD 1, SD 1
Chair(s): Menor
Co-Chair(s): Taniguchi
Member(s): Hemmings

H.B. No. 1823, HD 1, SD 1
Chair(s): Kawamoto
Co-Chair(s): Taniguchi
Member(s): Hanabusa, Kokubun, Sakamoto, Hemmings

H.B. No. 2212, HD 1, SD 2
Chair(s): Buen
Co-Chair(s): Inouye/Hanabusa
Member(s): English, Kawamoto, Hogue

H.B. No. 2832, HD 1, SD 2
Chair(s): Kim
Co-Chair(s): Menor
Member(s): English, Slom

H.B. No. 2834, SD 2
Chair(s): Menor
Co-Chair(s): Matsuura/Taniguchi
Member(s): Chun-Oakland, Fukunaga, Matsunaga

Sen. Com. No. 671, dated April 19, 2002, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the House to the following Senate Bills:

S.B. No. 2724, SD 2, HD 1
Chair(s): Menor
Co-Chair(s): Taniguchi
Member(s): Hogue

S.B. No. 3049, SD 2, HD 2
Chair(s): Kawamoto
Co-Chair(s): Taniguchi
Member(s): Hanabusa, Hemmings

S.B. No. 3060, SD 1, HD 1
Chair(s): Kawamoto
Co-Chair(s): Taniguchi
Member(s): Fukunaga, Hanabusa, Tam, Hemmings

S.B. No. 3063, SD 2, HD 2
Chair(s): Kawamoto
Co-Chair(s): Kanno/Taniguchi
Member(s): English, Hanabusa, Hemmings

Sen. Com. No. 672, dated April 19, 2002, informing the House that the Senate has made changes to Senate Conferee assignment for the following Senate Bill:

S.B. 2498, SD 2, HD 1 Adds Senator Menor as a Co-Chair.

Sen. Com. No. 673, dated April 19, 2002, informing the House that the Senate has disagreed to the amendments proposed by the House to the following Senate Concurrent Resolution:

S.C.R 75, SD 1, HD 1
"REQUESTING THE OFFICE OF PLANNING TO CONVENE A FOOD SECURITY TASK FORCE TO DEVELOP AN ACTION PLAN TO ENHANCE FOOD SECURITY IN HAWAII."

DEPARTMENTAL COMMUNICATION

The following departmental communication (Dept. Com. No. 26) was received by the Clerk and was placed on file:

Dept. Com. No. 26, from Marion M. Higa, State Auditor, transmitting a confidential draft report, Follow-Up Study of the Hawaii Health Systems Corporation.

ORDER OF THE DAY

COMMITTEE REASSIGNMENTS

The following Senate concurrent resolutions were re-referred to committee by the Speaker:

<u>S.C.R.</u> <u>Nos.</u>	<u>Re-referred to:</u>
107, SD 1	Committee on Finance
131, SD 1	Committee on Finance

UNFINISHED BUSINESS

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 1365-02) recommending that S.C.R. No. 43, as amended in HD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 43, HD 1, be adopted, seconded by Representative Lee.

Representative Hale rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to Standing Committee Report No. 1365-02 and S.C.R. 43, HD 1. To me, Mr. Speaker, this is a major cause of the public's dissatisfaction with elected officials.

"This bill started out as S.C.R. 43, quote 'Encouraging all State agencies to do everything possible to foster competition in the inter island air transportation market.' Those of us from the Neighbor Islands would certainly agree with this resolution, as we experience frustration in getting to and from Honolulu since the cutback in service because of 9/11.

"Even though the flights that we have to catch in the early mornings and the late evenings are always booked full. The public would not have been concerned about these resolutions, as it seemed to be non-controversial. However, the House Transportation Committee reported out the resolution with an HD 1, which not only changed the meat of the bill but also the title.

"They have mixed up a measure that should have been referred to the Water and Land Use Committee before it was sent to this Body so that public testimony could have been heard.

"This resolution now authorizes the Board of Land and Natural Resources to lease submerged and tidal lands of the Honokahau Small Boat Harbor to private entities as it deems necessary for commercial, recreational, educational and research purposes consistent with all applicable State and federal laws.

"Interestingly, in the Senate, according the *Honolulu Star Bulletin's* April 20, 2002 issue, three committees agreed to wait until they can hear from the area residents. In the Water and Land Use Committee, we did pass out the resolution to authorize this action, but the Senate has put it on hold for the above reason.

"We did receive a petition that indicated that the proposers had gone to the public. It was for that reason I did vote for it in committee because I thought that my concerns had been addressed. However, I did not have time to check the petition and I now suspect that most of the signatures came from boat owners who were convinced that the proposal would meet their needs. I thoroughly agree with the Senate's position that there should be opportunity to hear from the public-at-large many of who use this harbor as their access for their small boats on trailers.

"Mr. Speaker, I hope that this Body will vote down this revised resolution. It will otherwise go to conference, where I am sure that the House will be embarrassed by their action. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 43, HD 1, entitled: "SENATE CONCURRENT RESOLUTION ENCOURAGING STATE AGENCIES TO TAKE ACTION ON TRANSPORTATION ISSUES AFFECTING THE

ECONOMY," was adopted, with Representative Hale voting no and with Representatives Hiraki, Kahikina and Takai being excused.

Conf. Com. Rep. No. 52-02 and S.B. No. 997, HD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002.

STANDING COMMITTEE REPORTS

Representatives Arakaki and Takumi, for the Committee on Health and the Committee on Higher Education presented a report (Stand. Com. Rep. No. 1366-02), recommending that S.C.R. No. 71, be referred to the Committee on Consumer Protection and Commerce.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 71, entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR A WOMEN'S HEALTH PLATFORM THAT RECOGNIZES SERIOUS INEQUITIES IN THE HEALTH PREVENTION AND TREATMENT OF WOMEN, AND CALLS FOR THE ELIMINATION OF THESE INEQUITIES TO IMPROVE THE HEALTH STATUS OF WOMEN IN HAWAII," was referred to the Committee on Consumer Protection and Commerce with Representatives Case, Kahikina and Takai being excused.

Representatives Arakaki and Kahikina, for the Committee on Health and the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1367-02), recommending that S.C.R. No. 37, SD 1, be referred to the Committee on Legislative Management.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 37, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE STATE AUDITOR TO CONDUCT A STUDY TO DESIGNATE A SINGLE DEPARTMENT TO OVERSEE THE FUNDING AND REGULATION OF ADULT RESIDENTIAL CARE HOMES AND FOSTER HOMES," was referred to the Committee on Legislative Management with Representatives Case, Kahikina and Takai being excused.

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1368-02), recommending that S.C.R. No. 17, SD 2, be referred to the Committee on Legislative Management.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 17, SD 2, be referred to the Committee on Legislative Management, seconded by Representative Lee.

Representative Thielen rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Thielen then continued, stating:

"Thank you, Mr. Speaker. This resolution is asking the Auditor to examine the concept of health coverage for mental disorders.

"Mr. Speaker, there are a number of whereas paragraphs that I would suggest to my colleagues that they read. I am not sure if we are actually qualified to make these determinations or make these statements and some of these seem to be quite

troubling. It continues to go down the road of drugging rather than curing. Thank you."

Representative Meyer rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 17, SD 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR MENTAL DISORDERS," was referred to the Committee on Legislative Management with Representatives Meyer, Stonebraker and Thielen voting no and with Representatives Case, Kahikina and Takai being excused.

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1369-02), recommending that S.C.R. No. 60, as amended in HD 1, be referred to the Committee on Finance.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 60, HD 1, be referred to the Committee on Finance, seconded by Representative Lee.

Representative Meyer rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Stonebraker rose to speak in opposition to the measure, stating:

"This is a resolution to ask the Executive Office on Aging to convene a committee of 15 members to let us know what they think on long term care.

"I think that we already know this. This is a little redundant and I wouldn't want to waste any time and energy and effort for something that basically, what we are doing is asking the Executive Office on Aging to pick people to tell the Legislature what they think on long term care. I think they have already told us so, I don't see the need for this. I am going to vote no."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 60, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF STATE PROGRAMS INVOLVED WITH OR PROVIDING LONG-TERM CARE SERVICES FOR HAWAII'S ELDERLY," was referred to the Committee on Finance with Representatives Meyer and Stonebraker voting no, and with Representatives Case, Kahikina and Takai being excused.

At 12:24 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:52 o'clock p.m.

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1370-02) recommending that S.C.R. No. 48, SD 1, as amended in HD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 48, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO REASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH

INSURERS TO OFFER COVERAGE FOR SERVICES PROVIDED BY COMPLEMENTARY ALTERNATIVE CARE PROVIDERS," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1371-02) recommending that S.C.R. No. 63, as amended in HD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 63, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT A TASK FORCE BE CONVENED TO STUDY THE FEASIBILITY OF HAVING THE DEPARTMENT OF HEALTH REGULATE TOBACCO AS A CONSUMER PRODUCT," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 1372-02) recommending that S.C.R. No. 102, as amended in HD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 102, HD 1, be adopted, seconded by Representative Lee.

Representative Marumoto rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'd like to speak in favor of this resolution.

"Simply to point out that it could potentially be very helpful to Hawaii. Apparently, back in 1986, there was a compact signed between the United States and the Federated States of Micronesia, the Marshall Islands and Palau.

"One of the provisions allowed the residents of these areas to enter the United States as non-immigrants entitled to live and work freely within our borders. Well, over 6,000 immigrants from those areas came to Hawaii to seek a better life. Unfortunately, about 58% of them live below the federal poverty level.

"That impact on Hawaii's social welfare services and has threatened to overwhelm our safety net programs. By the way, I am very grateful to the Chairman of the House Health Committee for working on this and hopefully it will come to fruition. But, what has happened is that it has cost Hawaii over \$85 million from 1986 to the year 2000. These rates are for the social services that we are providing and not getting paid for and they continue to accrue at more than \$14 million a year including \$10 million for public education.

"We have received \$4 million in reimbursement but I think it behooves us at this point to ask for reimbursement for the \$100 million that we are owed, especially since they are going to rewrite the compact and we want to make sure that it is written so that Hawaii does not bear the biggest brunt. Guam is reimbursed for these expenses but the State of Hawaii is not.

"This resolution also calls to allow these residents to become qualified aliens, so that they may receive other federally funded benefits such as medical assistance and food stamps and cash assistance. And it also will ask Congress to look at any housing assistance for these people. Besides the State of Hawaii that is impacted by providing these services, private organizations such as Queen's Hospital and Kapiolani Hospital have been providing service and have not been recompensed

correctly. They receive maybe 30 cents on the dollar and so they are behind billions of dollars also.

"I sincerely urge the passage of this resolution. One of the people this resolution will go to is the Department of Interior, the person in charge of the Office of Insular Affairs. I think I know the person who will be appointed to this position so I look forward to hand carrying this personally to the Department of Interior. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 102, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING FEDERAL REIMBURSEMENT RESULTING FROM THE IMPACT OF LAWFUL NONIMMIGRANTS FROM THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND PALAU OVER THE PAST 15 YEARS AND ADEQUATE FINANCIAL ASSISTANCE TO AMELIORATE ANY FURTHER IMPACT," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representatives Arakaki and Kahikina, for the Committee on Health and the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1373-02) recommending that S.C.R. No. 69, as amended in HD 1, be adopted.

Representative M. Oshiro moved that the report of the Committees be adopted and that S.C.R. No. 69, HD 1, be adopted, seconded by Representative Lee.

Representative Stonebraker rose to speak in opposition to the measure, stating:

"I love the United States of America. I love it for a couple of reasons. One of them is that our Declaration of Independence states that as individuals being created by God we have certain inalienable rights. And those rights are the right to life, liberty and the pursuit of happiness. Our Constitution, though it doesn't grant any rights in and of itself, it dictates how our government is formed to protect our rights that are derived from our creator.

"The United Nations Charter has a different philosophy of government. The United Nations Charter does not have the idea that government is formed to protect god-given rights but rather the government is to enforce individual rights derived from the United Nations Charter. The problem that I have with this bill is not only do I generally disagree with the United Nations philosophy of government and I appreciate our autonomy as the United States of America.

"The problem that many parents have with the United Nations is the fact that with their philosophy of government, a child and an adult derive the exact same rights from the government. A child is a citizen of the government primarily, and secondarily a child of that parent. The parent is also a citizen first of all and derives rights from the United Nations Charter, and then secondly the parent of that child. What this does is, in turn it really violates, subverts, parental rights. If a parent believes in corporal punishment, and I know my parents did, I got spankings when I was a kid and many of us did. The United Nations would treat that as an assault on another citizen. The United Nations would treat a parent's right to discipline their child as my right, or I don't have a right to go to my neighbor's house and punch 'um in the face. So the United Nations has a completely different philosophy of government and family and parental rights.

"What we would do through this resolution is to invite the United Nations to come into our own backyard and begin to promulgate its own philosophy of government. Now, I don't dismiss the United Nations' purpose and role in the world today, but there is a difference between supporting peace-keeping missions and inviting a gigantic organization into our backyards.

"I used to feed the homeless people down at Aala Park through our church. And though I can care for them and feed them and support them, I would not invite them into my home and trust my children into their hands. To invite the United Nations in, would be to invite litigation from a world court on any parent who disciplines their child corporally. It is very scary to me.

"I've had my own run-ins with the federal government of this country. We can hardly keep ourselves under the Constitution when it comes to parent's right. You know in Alabama a couple of years ago the Department of Human Services came in and took away 40 children from their families. I don't know if you read this in the paper. They were eventually returned but it is very scary the direction we're going. I would encourage anybody to stand up against this and I don't want to see the UN flag waving in our Capitol. We can support them, we can be neighbors, but they will not be residents. Thank you."

Representative Moses rose in support of the measure and asked that the remarks of Representative Stonebraker be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Whalen rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Meyer rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Ontai rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Rath rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Auwae rose and asked that the Clerk record an aye vote with reservations for her and the Chair, "so ordered."

Representative Hale rose to speak in support of the measure, stating:

"Mr. Speaker, I am amazed at all the no votes. I am speaking in favor of this resolution.

"Starting out with our first State Governor, John Burns who wanted this to be a 'Geneva of the Pacific', the Hawaii Islands. Now, our present Governor is also following that philosophy. I think this is a wonderful idea to invite a United Nations organization to establish here in Hawaii.

"To say that the United Nations is going to come in and tell the State of Hawaii what to do is ridiculous. They're not a world government. They only come in and advise, make studies, try to help people throughout the world. And I think that this is the function that Hawaii is uniquely qualified to carry and I commend the Chairman of the Health Committee for putting this in.

"Frankly, I'd like to see the whole United Nations building here, the whole headquarters because I think that Hawaii could be model for the world for peace and people getting along with one another and our taking care of our poor and sick and

helpless people. It is ridiculous to think we are inviting a world government down here to tell us what to do. Thank you, Mr. Speaker."

Representative Schatz rose in support of the measure and asked that the remarks of Representative Hale be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Bukoski rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Whalen rose to speak in opposition to the measure, stating:

"I wasn't going to say anything but after the last speech, I will.

"Because I think there is a mistake in the idea of just what the United Nations is about. I am sure that all of us have recently heard about how under the auspices of the United Nations the Dutch forces allowed Serbs to go in and massacre complete villages as the UN looked on.

"For my own study, I have read in Africa where there have been revolts and revolutions the UN has gone in under their 'police actions' so to speak, and have set up their own government. Groups of people in particular and I forget the name of the countries because they change so frequently, group of people were tired of the warfare, so they set up their own country, separate from where the warfare was going on. The UN went in there and killed the leaders of this country. They were just looking for peace. There were, for those of you here you can grit your teeth, they set up a Christian Nation because they were tired of the warfare. The UN military commanders acted officially as putting down a rebellion. But this country that they wiped out, this nation of people had nothing to do with warfare. They were simply trying to set up their own freedom away from the fighting that was going on.

"We see over and over again the United Nation going in and trying to force its philosophical views on society. Representative Stonebraker mentioned the corporal punishment but there are many ideas and values that we each hold separately and we each hold dear. The UN has one set, which I am sure that all of us would disagree with at one point or another. But to view the United Nations merely as a body of advisors who are only there to help, I think is a very naïve and ignorant point of view if the contrary is going to be called ridiculous, because the UN is rife with mistakes.

"I mean we have President Clinton trying to hand over United States Armed Forces to the UN as a standing army for them. Why do they need that if they are such a peace loving advisory group? Mr. Speaker, the United Nations is far, far from perfect, and I disagree with many of the positions that they've taken over time. And for those that are concerned about us pursuing our own set of ideals, teaching our children the things that we feel are right and wrong and do not want big government to come in and do their own. That's what this resolution is all about; setting up a center, a propaganda center for the United Nations to push their idea of what a family should be and I'd rather not have someone else telling my children what is right or wrong. I'd rather be the educator and the one that sets their values for them."

Representative Stonebraker rose to speak in opposition to the measure, stating:

"May I make a brief comments, Mr. Speaker? The United Nations just condemned Israel for their retaliation to terrorism. This is my wife's people. It is with great difficulty that the

United Nations the very conference on racism in Africa that the US and Israel walked out of because we were impugned for racism. This is the organization that this resolution invites and it condemns my wife and my people."

Representative Gomes rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 69, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE UNITED NATIONS TO CONSIDER THE ESTABLISHMENT IN HAWAII, OF A CENTER FOR THE HEALTH, WELFARE, AND EDUCATION OF CHILDREN, YOUTH, AND FAMILIES FOR ASIA AND THE PACIFIC AND REQUESTING SUPPORT FOR THE CENTER FROM THE PRESIDENT AND THE UNITED STATES CONGRESS," was adopted, with Representatives Bukoski, Gomes, Meyer, Moses, Ontai, Rath, Stonebraker and Whalen voting no and with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representatives Ahu Isa and Chang, for the Committee on Economic Development and Business Concerns and the Committee on Tourism and Culture presented a report (Stand. Com. Rep. No. 1374-02) recommending that S.C.R. No. 161, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 161, SD 1, entitled: "SENATE CONCURRENT RESOLUTION APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A SISTER-STATE RELATIONSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE MUNICIPALITY OF TIANJIN IN THE PEOPLE'S REPUBLIC OF CHINA," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Hamakawa, for the Committee on Judiciary and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1375-02) recommending that S.C.R. No. 101, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 101, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE USE OF ALTERNATIVE ENERGY SOURCES TO ADDRESS ENERGY NEEDS ON THE ISLAND OF KAHŌ'OLAWĒ," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Hamakawa, for the Committee on Judiciary and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1376-02) recommending that S.C.R. No. 15, SD 1, as amended in HD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 15, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION CREATING A WORKING GROUP OF REPRESENTATIVES FROM HAWAIIAN ORGANIZATIONS, THE DEPARTMENT OF HAWAIIAN HOME LANDS, AND THE DEPARTMENT OF HEALTH TO FORM A COALITION TO PROVIDE BETTER ACCESS TO STATE VITAL STATISTICS RECORDS," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Hamakawa, for the Committee on Judiciary and Hawaiian Affairs presented a report (Stand. Com. Rep. No.

1377-02) recommending that S.C.R. No. 82, SD 1, as amended in HD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 82, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE FAMILY COURT SYSTEM," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1378-02) recommending that S.C.R. No. 19, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 19, SD 1, entitled: "SENATE CONCURRENT RESOLUTION RELATING TO THE BIENNIAL REVIEW OF THE COMPENSATION PLANS AND THE COSTS THEREOF," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1379-02) recommending that S.C.R. No. 39, SD 1, be adopted.

Representative M. Oshiro moved that S.C.R. No. 39, SD 1 be adopted, seconded by Representative Lee.

At this time, Representative Ontai offered the following floor amendment to S.C.R. No. 39, SD 1:

"SECTION 1. Senate Concurrent Resolution No. 39 SD1 is amended by replacing the contents of the resolution with the following language (SCR 39):

"WHEREAS, the State of Hawaii's Department of Accounting and General Services (DAGS) administration and management of the State's public works projects is critical to the health and welfare of the State; and

WHEREAS, three years ago, DAGS moved from the low-bid system for public procurements on re-roofing construction projects to a performance based procurement system, which it has designated as the Performance Information Procurement System (PIPS); and

WHEREAS, a successful proposal is selected by DAGS based upon a performance rating for the contractor and roofing system manufacturer with due consideration to price; and

WHEREAS, DAGS has begun to utilize PIPS on construction projects other than re-roofing; and

WHEREAS, it was hoped that PIPS would address DAGS' concerns about accountability, control of project costs and change orders, and would provide greater protection to the State; and

WHEREAS, the prudent approach is to evaluate the results, benefits, and deficiencies after the trial period; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-first Legislature of the State of Hawai'i, Regular Session of 2002, the House of Representatives concurring, that the Auditor is requested to conduct a review of the fairness and efficacy of the Department of Accounting and General Services' Performance Information Procurement System; and

BE IT FURTHER RESOLVED that the Auditor submit to the Legislature not later than twenty days prior to the convening of the 2003 Regular Session, a report that includes a review of other jurisdictions that utilize a procurement system similar to PIPS, whether these programs are successful in achieving their stated purposes, and any other findings and recommendations the Auditor deems appropriate; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Auditor and the Comptroller."

Representative Ontai moved that the floor amendment to S.C.R. No. 39, SD 1, be adopted, seconded by Representative Djou.

Representative Ontai rose to speak in support of the amendment, stating:

"Thank you, Mr. Speaker. This is a friendly amendment, Mr. Speaker. What it does is materially, just changes who is doing the check on the DAGS on this particular program in the procurement system. I think, Mr. Speaker, what this friendly amendment intends to achieve is to allow an independent audit by our Auditor, the Legislative Auditor to examine whether or not some of the contractors who have not gotten contracts, whether or not they are being fairly treated. Whether or not the money being spent, being expended is being done efficiently.

"The first point is to attempt to restore some trust and confidence into the procurement system. I know that sometimes we see lots of headlines, uncomfortable headlines, some of them right some of them wrong. I think the point is just if we allow for an independent study of this procurement system.

"The problem is to correct what the underlying measure, at least as it is currently drafted, is to allow for a group or an advisory group to do somewhat of a self-study. I think that this is something that they should be doing already as a part of good management practices. And if they are not doing it, then that would be another matter.

"I just want to tell the members that this amendment makes this resolution do something. The underlying measure really seems like it's putting it aside and just kind of maybe a warning shot across the bow."

Representative Magaoay rose to speak in opposition to the amendment, stating

"Thank you, Mr. Speaker. On this floor amendment we have before us, S.C.R. 39, SD 1, I stand in opposition.

"I thank my colleague from Mililani for offering this friendly Floor Amendment.

"The reason why I am against it is because originally, it was my request to have an audit in this process. But talking to the Building Trade Council and talking to the people from DAGS, I understand how important it is not to impede on the progress of this new program called PIPS.

"If we work together in coming to a resolution as far as not to slow down the projects. Most of the projects that we have are dealing with R and M, school projects and the rest, mostly small ones.

"I also talked to my Senate counterpart, who also introduced this resolution. I believe that everybody favors an audit for this process, but when we have an audit it takes time for us to come

back. What we need is not to have the work on hand be impeded or stopped.

"Basically, the Building Trade Council is working with DAGS, so that they have this advisory committee to work out the 'kinks' as they go through the process to make it streamline. Because everything we do on the initial is not to the point of where it is 'smooth sailing'. As long as we have an open understanding on the people who will be doing the contracts and also the administrating, it will help the process move along.

"So, I urge the members in the House to vote down this amendment. Thank you, Mr. Speaker."

Representative Djou rose to speak in support of the amendment, stating:

"Thank you, Mr. Speaker. Just extraordinarily briefly rising in support of the amendment.

Mr. Speaker, the underlying resolution calls for a view of the PIP system. I believe all of us would like to see an efficient procurement system. The PIP system has had a number of questions. When it was originally adopted it was adopted to have a procurement system using something other than the low bid system. Three states adopted it: Arizona, Utah and the State of Hawaii. Today because of problems, Arizona and Utah have dropped this system. Hawaii is the only state that continues to use it. I think that the best way to look at whether or not Hawaii should continue to retain this sort of system is to have the Auditor to perform an audit. Right now the resolution as drafted in the SD 1, only has DAGS doing a self-audit. It is good but would be much better with the amendment offered by the Representative from Mililani. Thank you, Mr. Speaker."

Representative Fox then requested a vote by a show of hands, and was by unanimous consent, granted.

The motion that the floor amendment to S.C.R. No. 39, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE PERFORMANCE INFORMATION PROCUREMENT SYSTEM," was put to vote by the Chair and upon a show of hands, the motion failed. (Representatives Kahikina and Takai were excused.)

Main Motion

Representative Ontai rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Meyer rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Yoshinaga rose and asked that the Clerk record an aye vote with reservations for her and the Chair, "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 39, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE PERFORMANCE INFORMATION PROCUREMENT SYSTEM," was adopted, with Representatives Meyer and Ontai voting no and with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1380-02) recommending that S.C.R. No. 103, SD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 103, SD 1, be adopted, seconded by Representative Lee.

Representative Yoshinaga rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Yoshinaga's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of Senate Concurrent Resolution No. 103 SD 1.

"This measure requests the auditor to review privatization contracts entered into by certain state and county agencies since the enactment of Act 90, Session Laws of Hawaii 2001.

"This measure would begin to address the concerns of many citizens of the state who strongly believe that services that some state and county agencies have contracted out to with private contractors have not lived up to promised expectations. In that some of the private contractors have not been providing "equivalent or better quality" services than the public agency could have provided at lower costs.

"This measure would help to ensure that the state and counties are obtaining equivalent or better quality services than those which were previously provided by state and county employees.

"I strongly urge this body to support S.C.R. No. 103, SD 1 that would not only help the people who depend on these contracted services but also the taxpayers of this state."

Representative Djou rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Rath rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Whalen rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Moses rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Jaffe rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Meyer rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Gomes rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Case rose in opposition to the measure and asked that his remarks on the comparable House Resolution (H.C.R. No. 173) be entered in the Journal on this measure, and the Chair "so ordered." (By reference only.)

Representative Ontai rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Stonebraker rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Thielen rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Leong rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Pendleton rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Auwae rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 103, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO REVIEW PRIVATIZATION CONTRACTS ENTERED INTO BY CERTAIN STATE AND COUNTY AGENCIES," was adopted, with Representatives Auwae, Case, Djou, Gomes, Jaffe, Leong, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Thielen and Whalen voting no and with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1381-02) recommending that S.C.R. No. 127, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 127, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING ADEQUATE FINANCIAL IMPACT ASSISTANCE FOR PROVIDING SERVICES TO CITIZENS OF THE FREELY ASSOCIATED STATES WHO RESIDE IN THE STATE OF HAWAII," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1382-02) recommending that S.C.R. No. 136, SD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 136, SD 1, be adopted, seconded by Representative Lee.

Representative McDermott rose to speak in support of the measure, stating:

"I stand in support of this resolution and I'd just like to echo the sentiments of the underlying resolution. And that is if these lessees if they are not afforded the opportunity to re-bid or if it does go out for a re-bid that they have the opportunity to be compensated by the new owner for any improvements upon the land that they have put. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 136, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ADDRESS THE CONCERNS OF KOKEE STATE PARK LESSEES WITH EXPIRING LEASES AND DEVELOPMENT OF A MASTER PLAN FOR STATE PARKS," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1383-02) recommending that S.C.R. No. 100, SD 1, HD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 100, SD 1, HD 1, be adopted, seconded by Representative Lee.

Representative Thielen rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Thielen then continued, stating:

"Thank you, Mr. Speaker. I don't think we should look into raising the fees for guardian ad litem until we find out whether or not there are some dysfunctional problems with the system and the family court system. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 100, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF THE GUARDIANS AD LITEM/ATTORNEY STATUTORY FEE REQUIREMENTS TO DETERMINE IF THERE IS A MORE EFFECTIVE MODEL THAT COULD BE ADOPTED FOR HAWAII," was adopted, with Representative Thielen voting no and with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1384-02) recommending that S.C.R. No. 109, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 109, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE JUDICIARY TO MONITOR THE COLLECTION OF CRIME VICTIM COMPENSATION FEES," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1385-02) recommending that S.C.R. No. 110, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 110, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING DEVELOPMENT AND IMPLEMENTATION OF A STRATEGY FOR STATEWIDE ERADICATION OF PEST FRUIT FLIES," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1386-02) recommending that S.C.R. No. 113, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 113, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING AN AUDIT OF VARIOUS EXECUTIVE DEPARTMENTS REGARDING CEDED LAND REVENUES," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1387-02) recommending that S.C.R. No. 169, SD 1, HD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 169, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE PUBLIC UTILITIES COMMISSION TO INITIATE A DOCKET OR CONVENE A TASK FORCE ON POWER QUALITY TO MEET THE NEEDS OF MODERN COMMERCE," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1388-02) recommending that S.C.R. No. 35, SD 1, as amended in HD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 35, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION SUPPORTING THE COLLABORATIVE EFFORTS AND THE PARTNERING INITIATIVES OF THE VETERANS' ADMINISTRATION (VA) STATE HOME CONSTRUCTION OFFICE IN WASHINGTON, D.C., THE HAWAII HEALTH SYSTEMS CORPORATION, THE HAWAII VA MEDICAL AND REGIONAL OFFICE CENTER (VAMROC), AND THE HAWAII OFFICE OF VETERANS' SERVICES, TO ESTABLISH A STATE-OF-THE-ART VA STATE HOME FACILITY ON THE CAMPUS OF THE HILO MEDICAL CENTER WHICH WILL PROVIDE CRITICALLY NEEDED, HIGH QUALITY, ACCESSIBLE LONG-TERM CARE SERVICES TO VA BENEFICIARIES RESIDING IN EAST HAWAII COUNTY," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

Representatives Morita and Hiraki, for the Committee on Energy and Environmental Protection and the Committee on Consumer Protection and Commerce presented a report (Stand. Com. Rep. No. 1389-02) recommending that S.C.R. No. 98, SD 2, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 98, SD 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A CONSIDERATION OF THE FEASIBILITY OF OPENING A PUBLIC UTILITIES COMMISSION DOCKET RELATING TO STANDBY CHARGES AND CUSTOMER RETENTION DISCOUNTS," was adopted, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

CONFERENCE COMMITTEE REPORTS

Representative Garcia, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2382, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 3-02) recommending that H.B. No. 2382, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 3-02 and H.B. No. 2382, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," was deferred for a period of 48 hours

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to a certain House Bill. (Representatives Arakaki, Kahikina, Kawakami and Takai were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to

such amendments for the following House bill, seconded by Representative Fox, and carried: (Representatives Arakaki, Kahikina, Kawakami and Takai were excused.)

H.B. No. 2445 (SD 2)

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended to consider a certain bill on Final Reading on the basis of a modified consent calendar. (Representatives Arakaki, Kahikina, Kawakami and Takai were excused.)

FINAL READING

Representative M. Oshiro then moved to agree to the amendments proposed by the Senate to H.B. No. 2387, HD 1 (SD 1), seconded by Representative Fox and carried. (Representatives Arakaki, Kahikina, Kawakami and Takai were excused.)

H.B. No. 2387 HD 1, SD 1:

Representative M. Oshiro moved that the House reconsider its action taken on March 27, 2002, in disagreeing to the amendments proposed by the Senate to H.B. No. 2387, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2387, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hamakawa, B. Oshiro and Thielen). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2387, HD 1, and H.B. No. 2387, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Kawakami and Takai being excused.

ANNOUNCEMENTS

Representative Ontai: "I just wanted to give a short report on my trip to West Point.

"The events on that afternoon for the award of the Surveillance Day Award at West Point included a reception, a parade by the entire core of cadets and a dinner attended by the entire core of cadets and about 400-500 dignitaries. Among those dignitaries, by the way Mr. Speaker, included Kauai boy General Rick Shinseki, who is now the Chief of Staff of the United States Army.

"I wanted to say that I was put right on the agenda right after the invocation for dinner and I got to read the entire House Proclamation signed by all House members. The Senate also provided a version signed by all Senators. I think Senator Inouye really appreciated it. He was a little bit surprised by it because we kind of kept it a little bit hush, hush. I wanted to add Mr. Speaker, I had several cadets and many officers, general officers included, that came up to me and told me what a great speech Senator Inouye did. So I personally have lots of pride, that he did us great honor at West Point. That is a place

where these kids are willing and ready to give their lives for their country and they are ready. You just have to tell them where and who to kill and they'll do it.

"The thing that I want to tell you is that they were inspired. Senator Inouye had his Distinguished Service Cross upgraded to a Medal of Honor. I mean he continued to kill Germans even though his right arm was blown off and he had a wound in his leg. That is the kind of stuff that makes America great. Thank you, Mr. Speaker."

Representative Ito: "Mr. Speaker and members, on behalf myself and the Ito family, I want to thank all of you very much for the beautiful wreath, the monetary offering and words of sympathy. They were of really great comfort for all of us. Thank you."

ADJOURNMENT

At 1:23 o'clock p.m. on motion by Representative Lee, seconded by Representative Djou and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Tuesday, April 23, 2002. (Representatives Arakaki, Kahikina, Kawakami and Takai were excused.)

FIFTY-FIFTH DAY

Tuesday, April 23, 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 12:08 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Pastor Chauncey Pang of the Word of Life Christian Center, after which the Roll was called showing all members present with the exception of Representatives Arakaki, Chang, Kahikina, Kanoho, Meyer, Stonebraker, Takai, Takumi and Yoshinaga who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Fourth Day was deferred.

GOVERNOR'S MESSAGE

The following message from the Governor (Gov. Msg. No. 234) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 234, transmitting the 2000-2001 Annual Report prepared by the State Foundation on Culture and the Arts.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 674 through 679) were received and announced by the Clerk:

Sen. Com. No. 674, dated April 22, 2002, informing the House that the Senate has made changes to Senate Confere assignment for the following Senate and House Bills:

S.B. 1575, SD 2, HD 2	Adds Senator Buen as a Member.
S.B. 2757, SD 2, HD 2	Discharged Senator Fukunaga as a Member.
S.B. 2819, SD 2, HD 1	Discharged Senator Taniguchi as a Co-Chair; Added Senator Taniguchi as a Member.
H.B. 870, SD 1	Added Senator Hemmings as a Member.
H.B. 1842, HD 1, SD 2	Added Senator Hemmings as a Member.
H.B. 1901, HD 2, SD 1	Added Senator Chun as a Member.
H.B. 1942, SD 1	Added Senator Hemmings as a Member.
H.B. 2132, HD 1, SD 2	Discharged Senator Taniguchi as a Member; Added Senator Taniguchi as Co-Chair.
H.B. 2216, HD 1, SD 1	Added Senator Hogue as a Member.
H.B. 2311, HD 2, SD 2	Discharged Senator Taniguchi as a Member; Added Senator Taniguchi as Co-Chair.

H.B. 2455, SD 1	Added Senator Hemmings as a Member.
H.B. 2459, SD 2	Added Senator Hogue as a Member.
H.B. 2521, HD 2, SD 2	Added Senator English as a Member.
H.B. 2558, HD 1, SD 2	Added Senator Hogue as a Member.
H.B. 2563, HD 1, SD 1	Discharged Senator Taniguchi as a Member; Added Senator Taniguchi as Co-Chair.

Sen. Com. No. 675, transmitting H.C.R. No. 34, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING CONGRESS AND THE PRESIDENT OF THE UNITED STATES TO SUPPORT LEGISLATION TO REPEAL THE RESCISSION ACT OF 1946 AND THE SECOND SUPPLEMENTAL SURPLUS APPROPRIATION RESCISSION ACT (1946), AND TO RESTORE FILIPINO WORLD WAR II VETERANS' TO FULL UNITED STATES VETERANS' STATUS AND BENEFITS," which was adopted by the Senate on April 22, 2002.

Sen. Com. No. 676, transmitting H.C.R. No. 11, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A MANAGEMENT AUDIT OF THE DEPARTMENT OF HEALTH'S DENTAL HEALTH DIVISION," which was adopted by the Senate on April 22, 2002.

Sen. Com. No. 677, transmitting H.C.R. No. 94, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF AN AGRICULTURAL TASK FORCE TO DEVELOP RECOMMENDATIONS FOR THE PROMOTION OF AGRICULTURAL DEVELOPMENT AND THE PROTECTION OF EXISTING AGRICULTURAL LAND RESOURCES AND THEIR COMPONENTS," which was adopted by the Senate on April 22, 2002.

Sen. Com. No. 678, transmitting H.C.R. No. 103, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE ENVIRONMENTAL COUNCIL, THE DEPARTMENT OF LAND AND NATURAL RESOURCES, SIERRA CLUB, HAWAII CHAPTER, LAND USE RESEARCH FOUNDATION, CONSERVATION COUNCIL OF HAWAII, ESTATE OF JAMES CAMPBELL, EARTHJUSTICE LEGAL DEFENSE FUND, UNIVERSITY OF HAWAII, DEPARTMENT OF AGRICULTURE, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, AND OTHER INTERESTED PARTIES, TO ANALYZE POTENTIAL AMENDMENTS TO HAWAII'S ENDANGERED SPECIES LAW, CHAPTER 195D, HAWAII REVISED STATUTES, TO FURTHER THE GOALS OF PROTECTING AND PROMOTING THE RECOVERY OF HAWAII'S UNIQUE AND IMPERILED FLORA AND FAUNA," which was adopted by the Senate on April 22, 2002.

Sen. Com. No. 679, dated April 22, 2002, informing the House that the Senate has disagreed to the amendments proposed by the House to the following Senate Concurrent Resolution:

S.C.R. No. 142, HD 1

"REQUESTING THE GOVERNOR TO CONVENE A TASK FORCE REGARDING A LIGHT RAIL SYSTEM."

S.C.R. No. 44, SD 1, HD 1

"REQUESTING THE ARMY NATIONAL GUARD AND OTHER AGENCIES OF THE STATE OF HAWAII TO PROVIDE LOGISTICAL AND TRANSPORTATION SUPPORT TO THE EMERGENCY ENVIRONMENTAL WORKFORCE WHEN POSSIBLE."

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the House disagreed to the amendments made by the Senate to H.C.R. Nos. 11, (SD 1); 94, HD 1, (SD 1); and 103, HD 1 (SD 1), and requested a conference on the subject matter of said amendments. (Representatives Arakaki, Chang, Kanoho, Meyer, Stonebraker, Takai and Takumi were excused)

INTRODUCTIONS

The following introductions were made to the members of the House:

Representative Auwae introduced from Makaha Valley Mr. and Mrs. Wally Cawalti and their friends from all over the United States.

Representative Halford, on behalf of Representative Gomes, introduced the students and teachers from Waimanalo Elementary and Intermediate School.

ORDER OF THE DAY

STANDING COMMITTEE REPORTS

Representative Suzuki, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1390-02) recommending that S.C.R. No. 34, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 34, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF PRIVATE SECTOR SPENDING TO ADVERTISE AND PROMOTE HAWAII AS A VISITOR DESTINATION," was adopted, with Representatives Arakaki, Chang, Kanoho, Meyer, Stonebraker, Takai and Takumi being excused.

Representative Suzuki, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1391-02) recommending that S.C.R. No. 79, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 79, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE STATE AUDITOR TO CONDUCT A PROGRAM AND FINANCIAL AUDIT OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES HISTORIC PRESERVATION DIVISION," was adopted, with Representatives Arakaki, Chang, Kanoho, Meyer, Stonebraker, Takai and Takumi being excused.

Representative Suzuki, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 1392-02) recommending that S.C.R. No. 121, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 121, entitled: "SENATE

CONCURRENT RESOLUTION REQUESTING A STUDY OF THE CURRENT POLICIES AND CRITERIA USED IN CONDUCTING SUNRISE REVIEWS PURSUANT TO CHAPTER 26H, HAWAII REVISED STATUTES," was adopted, with Representatives Arakaki, Chang, Kanoho, Meyer, Stonebraker, Takai and Takumi being excused.

CONFERENCE COMMITTEE REPORT

Representatives Hiraki, B. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2732, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 53-02) recommending that S.B. No. 2732, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 53-02 and S.B. No. 2732, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to a certain House Bill. (Representatives Chang, Kanoho, Meyer, Stonebraker, Takai and Takumi were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken on April 11, 2002, in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Fox, and carried: (Representatives Chang, Kanoho, Meyer, Stonebraker and Takai were excused.)

H.B. No. 1878, HD 2 (SD 1)

H.B. No. 2163 (SD 2)

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended to consider a certain bill on Final Reading on the basis of a modified consent calendar. (Representatives Kanoho, Meyer, Stonebraker, and Takai were excused.)

FINAL READING

The following bill was taken from the Clerk's desk and the following action taken:

Representative M. Oshiro then moved to agree to the amendments proposed by the Senate to H.B. No. 2445, (SD 2) seconded by Representative Fox and carried. (Representatives Kanoho, Meyer, Stonebraker and Takai were excused.)

The Chair addressed the Clerk who announced that the record of vote form for the aforementioned bill had been received.

H.B. No. 2445, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2445, on the following showing of Ayes and Noes:

Ayes, 2 (Kahikina and Kawakami). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2445, and H.B. No. 2445, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 47 ayes, with Representatives Kanoho, Meyer, Stonebraker and Takai being excused.

ANNOUNCEMENTS

Representative Gomes: "Thank you, Mr. Speaker. If I may, with your indulgence. Thanks to Representative Halford for the introduction. I just want to point out to the members that several of these students and teachers from Waimanalo School have been helpful and volunteered in the recent clean-up event. Waimanalo School itself played a pivotal role that day as our headquarters, and allowed us to hold our planning and organizing meetings. Thank you for all your efforts and visiting us today."

HOUSE COMMUNICATION

Dated April 22, 2002, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. No. 1800, Added Representatives Suzuki, Gomes,
HD 1, SD 1 and Meyer as members.

ADJOURNMENT

At 12:21 o'clock p.m. on motion by Representative Lee, seconded by Representative Djou and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Wednesday, April 24, 2002. (Representatives Kanoho, Meyer, Stonebraker and Takai were excused.)

FIFTY-SIXTH DAY

Wednesday, April 24, 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 12:54 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered by Pastor Peter Kamakawiwoole of the Kalihi Union Church, after which the Roll was called showing all members present with the exception of Representatives Case, Stonebraker, Takai and Whalen who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Fifth Day was deferred.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 680 through 689) were received and announced by the Clerk:

Sen. Com. No. 680, dated April 23, 2002, informing the House that the Senate has disagreed to the amendments proposed by the House to the following Senate Concurrent Resolution:

S.C.R. No. 15, SD 1, HD 1
"CREATING A WORKING GROUP OF REPRESENTATIVES FROM HAWAIIAN ORGANIZATIONS, THE DEPARTMENT OF HAWAIIAN HOME LANDS, AND THE DEPARTMENT OF HEALTH TO FORM A COALITION TO PROVIDE BETTER ACCESS TO STATE VITAL STATISTICS RECORDS."

S.C.R. No. 35, SD 1, HD 1
"SUPPORTING THE COLLABORATIVE EFFORTS AND THE PARTNERING INITIATIVES OF THE VETERANS' ADMINISTRATION (VA) STATE HOME CONSTRUCTION OFFICE IN WASHINGTON, D.C. THE HAWAII HEALTH SYSTEMS CORPORATION, THE HAWAII VA MEDICAL AND REGIONAL OFFICE CENTER (VAMROC), AND THE HAWAII OFFICE OF VETERANS' SERVICES, TO ESTABLISH A STATE-OF-THE-ART VA STATE HOME FACILITY ON THE CAMPUS OF THE HILO MEDICAL CENTER WHICH WILL PROVIDE CRITICALLY NEEDED, HIGH QUALITY, ACCESSIBLE LONG-TERM CARE SERVICES TO VA BENEFICIARIES RESIDING IN EAST HAWAII COUNTY."

S.C.R. No. 43, HD 1
"ENCOURAGING STATE AGENCIES TO TAKE ACTION ON TRANSPORTATION ISSUES AFFECTING THE ECONOMY."

S.C.R. No. 48, SD 1, HD 1
"REQUESTING THE AUDITOR TO REASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR SERVICES PROVIDED BY COMPLEMENTARY ALTERNATIVE CARE PROVIDERS."

S.C.R. No. 63, HD 1
"REQUESTING THAT A TASK FORCE BE CONVENED TO STUDY THE FEASIBILITY OF HAVING THE DEPARTMENT OF HEALTH REGULATE TOBACCO AS A CONSUMER PRODUCT."

S.C.R. No. 69, HD 1

"REQUESTING THE UNITED NATIONS TO CONSIDER THE ESTABLISHMENT IN HAWAII, OF A CENTER FOR THE HEALTH, WELFARE, AND EDUCATION OF CHILDREN, YOUTH, AND FAMILIES FOR ASIA AND THE PACIFIC AND REQUESTING SUPPORT FOR THE CENTER FROM THE PRESIDENT AND THE UNITED STATES CONGRESS."

S.C.R. No. 82, SD 1, HD 1
"REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE FAMILY COURT SYSTEM."

S.C.R. No. 100, SD 1, HD 1
"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF THE GUARDIANS AD LITEM/ATTORNEY STATUTORY FEE REQUIREMENTS TO DETERMINE IF THERE IS A MORE EFFECTIVE MODEL THAT COULD BE ADOPTED FOR HAWAII."

S.C.R. No. 102, HD 1
"REQUESTING FEDERAL REIMBURSEMENT RESULTING FROM THE IMPACT OF LAWFUL NONIMMIGRANTS FROM THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND PALAU OVER THE PAST 15 YEARS AND ADEQUATE FINANCIAL ASSISTANCE TO AMELIORATE ANY FURTHER IMPACT."

S.C.R. No. 169, SD 1, HD 1
"REQUESTING THE PUBLIC UTILITIES COMMISSION TO INITIATE A DOCKET OR CONVENE A TASK FORCE ON POWER QUALITY TO MEET THE NEEDS OF MODERN COMMERCE."

Sen. Com. No. 681, transmitting H.C.R. No. 42, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE PERFORMANCE INFORMATION PURCHASE SYSTEM," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 682, transmitting H.C.R. No. 56, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SOCIAL SCIENCE RESEARCH INSTITUTE OF THE UNIVERSITY OF HAWAII TO CONDUCT AN ASSESSMENT OF THE EDUCATIONAL NEEDS OF THE NORTH HAWAII REGION," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 683, transmitting H.C.R. No. 70, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE ANIMAL AND PLANT HEALTH INSPECTION SERVICE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE TO INITIATE A PROGRAM TO ERADICATE FRUIT FLIES IN HAWAII," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 684, transmitting H.C.R. No. 75, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO ANALYZE THE PROBABLE EFFECTS OF PROPOSED REGULATION OF ATHLETE AGENTS AND ASSESS WHETHER ITS ENACTMENT IS CONSISTENT WITH STATE POLICY," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 685, transmitting H.C.R. No. 118, entitled: "HOUSE CONCURRENT RESOLUTION REAFFIRMING SUPPORT FOR THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII'S HOPE VI REVITALIZATION GRANT APPLICATION FOR KUHIO

PARK TERRACE AND URGING THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO ACT FAVORABLY ON THE APPLICATION," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 686, transmitting H.C.R. No. 121, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES DEPARTMENT OF DEFENSE TO MAINTAIN THE CURRENT STRUCTURE OF THE UNITED STATES PACIFIC COMMAND," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 687, transmitting H.C.R. No. 131, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO DO AN ACTUARIAL ANALYSIS OF THE UTILIZATION AND RATE IMPACTS, IF ANY, OF REINSTATING NATUROPATHY AMONG THE PERSONAL INJURY PROTECTION BENEFITS IN MOTOR VEHICLE INSURANCE," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 688, transmitting H.C.R. No. 150, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE DEVELOPMENT OF A BIOTECHNOLOGY INDUSTRY IN THE STATE OF HAWAII," which was adopted by the Senate on April 23, 2002.

Sen. Com. No. 689, transmitting H.C.R. No. 190, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A REPORT BY THE PATIENT SAFETY TASK FORCE OF THE HEALTHCARE ASSOCIATION OF HAWAII," which was adopted by the Senate on April 23, 2002.

ORDER OF THE DAY

UNFINISHED BUSINESS

Conf. Com. Rep. No. 3-02 and H.B. No. 2382, HD 1, SD 2, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002.

STANDING COMMITTEE REPORTS

Representative Kanoho, for the Committee on Water and Land Use presented a report (Stand. Com. Rep. No. 1393-02) recommending that S.C.R. No. 158, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 158, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO FACILITATE SECURING SPACE FOR THE COMMERCIAL HAUL OUT OF BOATS FOR SAFETY, COMPLIANCE INSPECTIONS, AND ECONOMIC DEVELOPMENT," was adopted, with Representatives Case, Stonebraker, Takai, Whalen and Yonamine being excused.

CONFERENCE COMMITTEE REPORTS

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2527, SD 1, presented a report (Conf. Com. Rep. No. 4-02) recommending

that H.B. No. 2527, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 4-02 and H.B. No. 2527, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SAFETY INSPECTION FREQUENCIES FOR REGULATED EQUIPMENT," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 99, HD 1, presented a report (Conf. Com. Rep. No. 54-02) recommending that S.B. No. 99, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 54-02 and S.B. No. 99, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LIQUOR COMMISSION," was deferred for a period of 48 hours.

Representatives Takumi and Espero, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2964, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 55-02) recommending that S.B. No. 2964, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 55-02 and S.B. No. 2964, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3053, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 56-02) recommending that S.B. No. 3053, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 56-02 and S.B. No. 3053, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HEALTH NURSING," was deferred for a period of 48 hours.

Representatives Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3040, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 57-02) recommending that S.B. No. 3040, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 57-02 and S.B. No. 3040, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for

the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to a certain House Bill. (Representatives Case, Stonebraker, Takai, Whalen and Yonamine were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken on April 11, 2002, in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bill, seconded by Representative Fox, and carried: (Representatives Case, Stonebraker, Takai, Whalen and Yonamine were excused.)

H.B. No. 2582, HD 1 (SD 1)

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended to consider a certain bill on Final Reading on the basis of a modified consent calendar. (Representatives Case, Stonebraker, Takai, Whalen and Yonamine were excused.)

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative M. Oshiro then moved to agree to the amendments proposed by the Senate to H.B. No. 1878, HD 2 (SD 1) and H.B. No. 2163, (SD 2) seconded by Representative Fox and carried. (Representatives Case, Stonebraker, Takai, Whalen and Yonamine were excused.)

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received.

H.B. No. 1878, HD 2, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1878, HD 2, on the following showing of Ayes and Noes:

Ayes, 2 (Ito and Suzuki). Noes, none. Excused, 1 (Ontai).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1878, HD 2 and H.B. No. 1878, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 46 ayes, with Representatives Case, Stonebraker, Takai, Whalen and Yonamine being excused.

H.B. No. 2163, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2163, SD 2, on the following showing of Ayes and Noes:

Ayes, 4 (Ito, Saiki, Suzuki and Halford). Noes, none. Excused, 2 (Schatz and Ontai).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2163, and H.B. No. 2163, SD 2, entitled: "A BILL FOR AN ACT RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION," passed Final Reading by a vote of 46 ayes, with Representatives Case, Stonebraker, Takai, Whalen and Yonamine being excused.

The Chair directed the Clerk to note that H.B. No. 1878, HD 2, SD 1; and H.B. No. 2163, SD 2 had passed Final Reading at 1:03 o'clock p.m.

ANNOUNCEMENTS

Representative Takamine for the Committee on Finance requested a waiver of the 48-hour notice requirement to hear certain Senate Concurrent Resolutions, and for decision making only on a Senate Bill previously heard, and the Chair "so ordered."

Representative Takamine then announced that S.C.R. 16; S.C.R. 107, SD 1; S.C.R. 116; S.C.R. 131; S.C.R. 174, S.D. 1; and S.C.R. 180, SD 1; will be part of the agenda for public hearing with the Committee on Finance, tomorrow morning at 9:00 a.m. in Conference Room 309. And further the Committee will have decision-making only on S.B. 2582, relating to Captive Insurance, which had been previously heard.

Representative Lee: "Madame Speaker, this morning we have one of our members who is celebrating his birthday. I hope you would all join me in giving our best wishes to Majority Leader Marcus Oshiro."

HOUSE COMMUNICATION

Dated April 24, 2002, informing the Senate that the House has made the following changes to the conferees on the following measure:

S.B. No. 2179, SD 2, HD 1	Discharged Representative Takamine as Third Co-Chair. Added Representative Saiki as Third Co-Chair.
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ADJOURNMENT

At 1:05 o'clock p.m. on motion by Representative Lee, seconded by Representative Djou and carried, the House of Representatives adjourned until 6:30 o'clock p.m. tomorrow, Thursday, April 25, 2002. (Representatives Case, Stonebraker, Takai, Whalen and Yonamine were excused.)

FIFTY-SEVENTH DAY

Thursday, April 25 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 6:45 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Dr. Duane Fujii of the Good Shepherd Lutheran Church, after which the Roll was called showing all members present with the exception of Representatives Arakaki, Kanoho, McDermott, Ontai, Pendleton and Takamine who were excused.

On motion by Representative Lee, seconded by Representative Djou and carried, reading of the Journals was dispensed with and the Journals of the Thirty-Sixth, Thirty-Seventh, Thirty-Eighth, Thirty-Ninth, Fortieth, Forty-First, Forty-Second, Forty-Third and Forty-Fourth Days were approved. (Representatives Arakaki, Kanoho, McDermott, Ontai, Pendleton and Takamine were excused.)

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 235 and 236) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 235, informing the House that the following bills were signed into law:

H.B. No. 683, HD 2	RELATING TO STATE PARKS PENALTIES (ACT 024)
H.B. No. 1727, HD 1	RELATING TO DRIVER'S LICENSE INSTRUCTION PERMIT RENEWAL (ACT 025)
H.B. No. 1804	RELATING TO EXPUNGEMENT (ACT 026)
H.B. No. 1825, HD 1	RELATING TO THE REVISED UNIFORM COMMERCIAL CODE ARTICLE 9 – SECURED TRANSACTIONS (ACT 027)
H.B. No. 1941	RELATING TO AGRICULTURE (ACT 028)
H.B. No. 2158, HD 2	RELATING TO COMMERCIAL DRIVER LICENSING (ACT 029)
H.B. No. 2298, HD 1	RELATING TO ELECTIONS (ACT 030)
H.B. No. 2432	RELATING TO DIRECT PAYMENT OF CHILD SUPPORT (ACT 031)
H.B. No. 2473, HD 1	RELATING TO THE UNIFORM SECURITIES ACT (ACT 032)
H.B. No. 2496, HD 1	RELATING TO CHILD CARE (ACT 033)
H.B. No. 2514	RELATING TO TATTOO ARTISTS (ACT 034)

H.B. No. 2550, HD 2	RELATING TO APPURTENANT RIGHTS UNDER THE WATER CODE (ACT 035)
H.B. No. 2560, HD 1	RELATING TO SEXUAL OFFENSES (ACT 036)
H.B. No. 2580	RELATING TO DRIVER LICENSING (ACT 037)
S.B. No. 2635, SD 1	RELATING TO TOURISM (ACT 038)
S.B. No. 2723, SD 1	RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (ACT 039)
S.B. No. 2729, SD 2	RELATING TO BUSINESS REGISTRATION (ACT 040)
S.B. No. 2730, SD 1	RELATING TO MERGERS (ACT 041)
S.B. No. 2768, SD 1	RELATING TO ACCESS FOR PERSONS WITH DISABILITIES (ACT 042)
S.B. No. 2787	RELATING TO THE WAGE AND HOUR LAW (ACT 043)
S.B. No. 2792, SD 2	RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM (ACT 044)
Gov. Msg. No. 236, informing the House that the following bill was signed into law:	
H.B. No. 1806	RELATING TO OFFENSES AGAINST PROPERTY RIGHTS (ACT 045)

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 690 through 696) were received and announced by the Clerk:

Sen. Com. No. 690, dated April 24, 2002, informing the House that on April 23, 2002, the Senate reconsidered its action taken on April 19, 2002 in disagreeing to the amendments proposed by the House to the following Senate Concurrent Resolution and has moved to agree to the amendments. The Senate further informs the House that said resolution was adopted on this day.

S.C.R. 75, SD 1, HD 1
"REQUESTING THE OFFICE OF PLANNING TO CONVENE A FOOD SECURITY TASK FORCE TO DEVELOP AN ACTION PLAN TO ENHANCE FOOD SECURITY IN HAWAII."

Sen. Com. No. 691, dated April 24, 2002, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following Concurrent Resolutions:

H.C.R. No. 11, SD 1
Chair(s): Senator(s): Matsuura
Member(s): Senator(s): English, Hogue

H.C.R. No. 94, HD 1, SD 1
 Chair(s): Senator(s): Buen
 Co-Chair(s): Senator(s): Taniguchi
 Member(s): Senator(s): Kokubun, Hogue

S.C.R. No. 43, HD 1
 Chair(s): Senator(s): Kawamoto
 Member(s): Senator(s): Fukunaga, Hemmings

S.C.R. No. 44, SD 1, HD 1
 Chair(s): Senator(s): Kawamoto
 Co-Chair(s): Senator(s): Inouye
 Member(s): Senator(s): Hemmings

Sen. Com. No. 692, transmitting H.C.R. No. 18, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE LEASE OF EASEMENT COVERING PORTION OF SUBMERGED LANDS AT LAHAINA, MAUI, HAWAII, FOR CONCRETE PIER AND DECK PURPOSES," which was adopted by the Senate on April 24, 2002.

Sen. Com. No. 693, transmitting H.C.R. No. 62, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY, WITH THE ASSISTANCE OF THE HAWAII CRIMINAL JUSTICE DATA CENTER, TO COMPARE THE RECIDIVISM RATES OF INMATES TRANSFERRED TO MAINLAND CORRECTIONAL FACILITIES WITH SIMILARLY SITUATED INMATES WHO REMAINED INCARCERATED IN HAWAII," which was adopted by the Senate on April 24, 2002.

Sen. Com. No. 694, transmitting H.C.R. No. 81, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CREATION OF A HANAI TASK FORCE TO RECOMMEND A CONSISTENT POLICY ON HANAI RELATIONSHIPS," which was adopted by the Senate on April 24, 2002.

Sen. Com. No. 695, transmitting H.C.R. No. 130, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AND PERFORMANCE AUDIT OF THE EMPLOYEES' RETIREMENT SYSTEM," which was adopted by the Senate on April 24, 2002.

Sen. Com. No. 696, transmitting H.C.R. No. 171, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CREATION OF A TASK FORCE TO RESOLVE ISSUES RELATED TO COURT-APPOINTED COUNSEL IN HAWAII," which was adopted by the Senate on April 24, 2002.

ORDER OF THE DAY

COMMITTEE REASSIGNMENT

The following Senate concurrent resolution was re-referred to committee by the Speaker:

S.C.R.

No. Re-referred to:

37, Jointly to the Committee on Health and the
 SD1 Committee on Human Services and Housing

At this time, the Chair addressed the Body, stating:

"Members, this evening S.C.R. 37, SD1, that is before you, was originally referred jointly to the Committees on Health and Human Services and Housing, then to the Committee on Legislative Management. The Committees on Health and Human Services and Housing reported this measure out in an un-amended form and floor action was taken this past Monday, April 22nd to adopt Standing Committee Report number 1367-02, and to refer S.C.R. 37, SD 1, to the Committee on Legislative Management.

"Per the Committee Referral Sheet Number 51, which has been placed on your desk, the Committee on Legislative Management has waived off the committee referral. Therefore, the measure is positioned for adoption this evening. Does everyone understand? So, at this time the Chair recognizes Representative M. Oshiro."

UNFINISHED BUSINESS

Representative M. Oshiro moved that notwithstanding the recommendation in Stand. Com. Rep. No. 1367-02, which was adopted on April 22, 2002, that S.C.R. No. 37, SD 1, be adopted, seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and S.C.R. No. 37, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE STATE AUDITOR TO CONDUCT A STUDY TO DESIGNATE A SINGLE DEPARTMENT TO OVERSEE THE FUNDING AND REGULATION OF ADULT RESIDENTIAL CARE HOMES AND FOSTER HOMES," was adopted with Representatives Arakaki, McDermott, Ontai, Pendleton and Takamine being excused.

Conf. Com. Rep. No. 53-02 and S.B. No. 2732, SD 1, HD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002.

STANDING COMMITTEE REPORTS

Representative Kanoho, for the Committee on Water and Land Use presented a report (Stand. Com. Rep. No. 1394-02) recommending that S.C.R. No. 85, SD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No. 85, SD 1, be adopted, seconded by Representative Lee.

Representative Thielen rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Thielen then continued, stating:

"Mr. Speaker, my no vote is for the reasons that I expressed earlier on this measure when it was heard. Thank you"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 85, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE BOARD OF LAND AND NATURAL RESOURCES TO INVESTIGATE EXISTING CONFLICTS BETWEEN ORGANIZED WATER SPORTS EVENTS AND INDIVIDUAL RECREATIONAL USERS AND DEVELOP RECOMMENDATIONS FOR EQUITABLE ACCESS TO AND USE OF THE WATERS AND BEACHES OF THE STATE," was adopted with Representative Thielen voting no, and with Representatives Arakaki, McDermott, Ontai,

Pendleton and Takamine being excused.

Representatives Hamakawa and Kahikina, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Human Services and Housing presented a report (Stand. Com. Rep. No. 1395-02) recommending that S.B. No. 2693, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2693, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Second Reading and was placed on the calendar for Third Reading with Representatives Arakaki, McDermott, Ontai, Pendleton and Takamine being excused.

Representative Hamakawa, for the Committee on Judiciary and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1396-02) recommending that S.B. No. 2632, pass Second Reading and be placed on the calendar for Third Reading.

Representative M. Oshiro moved that the report of the Committee be adopted and S.B. No. 2632, pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Lee.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I wish to cast a no vote on Standing Committee Report Number 1396, the arrests for knowing failure to appear. What this does is raise the fine for the failure to appear in court to answer a citation to \$1,000. That is a very heavy penalty for knowingly failing to appear.

"There could be many reasons why you would not be able to appear, which could be compelling to the person who had been served a citation. I don't think we need to give the courts this. This isn't just a 'hammer'; this is a 'sledgehammer' to hit the person over the head with. The person ultimately will appear or can appear through other procedures that the court can use. But to fine that person a \$1,000 is very onerous and I think way out of line. Thank you."

Representative Marumoto rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Marumoto then continued, stating:

"Thank you, Mr. Speaker. I believe the good Representative from Kailua, the previous speaker, expressed my feeling perfectly. Thank you."

Representative Auwae rose in opposition to the measure and asked that the remarks of Representative Thielen be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Moses rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Halford rose to speak in opposition to the measure, stating:

"Thank you, no this same measure. The \$1,000 really is excessive. The current rate, I believe is a \$100 and maybe that is too much also. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I stand in strong support.

"Very briefly, I just wanted to explain what we did. We raised it up to the fine that you can get for a petty misdemeanor and that is when you fail to appear at the court once you've requested that you want a court hearing. So you are wasting the time of the police officer to come down as a witness; you are wasting the time of the prosecuting attorney to have to prepare and prosecute the case; you are wasting the time of the courts. And, I think this also gives the judge discretion up to a \$1,000. So if there are any excuses, it is something that the judge can listen to and decide what is the proper fine. Thank you."

Representative Stonebraker rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I appreciate the comments of the Vice Chair of Judiciary Committee, but that still doesn't change my mind. I still think it is onerous. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2632, entitled: "A BILL FOR AN ACT RELATING TO ARRESTS," passed Second Reading and was placed on the calendar for Third Reading with Representatives Auwae, Halford, Marumoto, Moses, Stonebraker and Thielen voting no, and with Representatives McDermott, Ontai and Pendleton being excused.

CONFERENCE COMMITTEE REPORTS

Representatives Chang and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1942, SD 1, presented a report (Conf. Com. Rep. No. 5-02) recommending that H.B. No. 1942, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 5-02 and H.B. No. 1942, SD 1, CD 1, entitled: "A BILL FOR AN ACT ESTABLISHING A COMMISSION TO CELEBRATE THE ONE-HUNDREDTH ANNIVERSARY OF THE ARRIVAL OF FILIPINOS TO HAWAII," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1758, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 6-02) recommending that H.B. No. 1758, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 6-02 and H.B. No. 1758, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2305, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 7-02) recommending that H.B. No. 2305, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 7-02 and H.B. No. 2305, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM PROBATE CODE," was deferred for a period of 48 hours.

Representative Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2568, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 8-02) recommending that H.B. No. 2568, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 8-02 and H.B. No. 2568, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COLLECTION OF TAXES," was deferred for a period of 48 hours.

Representatives Kanohe and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2002, SD 1, presented a report (Conf. Com. Rep. No. 9-02) recommending that H.B. No. 2002, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 9-02 and H.B. No. 2002, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Kanohe and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2536, SD 1, presented a report (Conf. Com. Rep. No. 10-02) recommending that H.B. No. 2536, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 10-02 and H.B. No. 2536, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SECTION 17 OF ACT 85, SESSION LAWS OF HAWAII 1999," was deferred for a period of 48 hours.

Representatives Souki and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1724, SD 1, presented a report (Conf. Com. Rep. No. 11-02) recommending that H.B. No. 1724, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 11-02 and H.B. No. 1724, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL NUMBER PLATES FOR MILITARY SERVICE," was deferred for a period of 48 hours.

Representatives Souki, Kanohe and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2577, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 12-02) recommending that H.B. No. 2577, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 12-02 and H.B. No. 2577, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DEVELOPMENT OF PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1843, SD 1, presented a report (Conf. Com. Rep. No. 13-02) recommending that H.B. No. 1843, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 13-02 and H.B. No. 1843, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT," was deferred for a period of 48 hours.

Representatives Morita, B. Oshiro and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2723, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 14-02) recommending that H.B. No. 2723, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 14-02 and H.B. No. 2723, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," was deferred for a period of 48 hours.

Representatives Morita and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2045, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 15-02) recommending that H.B. No. 2045, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 15-02 and H.B. No. 2045, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REVENUE BONDS," was deferred for a period of 48 hours.

Representatives Kanohe and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 870, SD 1, presented a report (Conf. Com. Rep. No. 16-02) recommending that H.B. No. 870, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 16-02 and H.B. No. 870, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Kanohe and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2443, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 17-02) recommending that H.B. No. 2443, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 17-02 and H.B. No. 2443, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PREVENTION OF THE FILING OF FRIVOLOUS FINANCING STATEMENTS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2046, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 58-02) recommending

that S.B. No. 2046, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 58-02 and S.B. No. 2046, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GUIDE DOGS, SIGNAL DOGS, AND SERVICE ANIMALS," was deferred for a period of 48 hours.

Representatives Ito and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2926, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 59-02) recommending that S.B. No. 2926, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 59-02 and S.B. No. 2926, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Kanohe and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2934, HD 2, presented a report (Conf. Com. Rep. No. 60-02) recommending that S.B. No. 2934, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 60-02 and S.B. No. 2934, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," was deferred for a period of 48 hours.

Representatives Kanohe and Ahu Isa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2613, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 61-02) recommending that S.B. No. 2613, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 61-02 and S.B. No. 2613, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING RIGHTS AND REGULATIONS," was deferred for a period of 48 hours.

Representatives Takumi, Ito and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2816, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 62-02) recommending that S.B. No. 2816, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 62-02 and S.B. No. 2816, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT LOANS FOR TEACHERS," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2290, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 63-02) recommending that S.B. No. 2290, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 63-02 and S.B. No. 2290, SD 1, HD 1, CD 1, entitled: "A BILL FOR

AN ACT RELATING TO INDEPENDENT BILL REVIEWERS," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2526, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 64-02) recommending that S.B. No. 2526, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 64-02 and S.B. No. 2526, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARENTAL PREFERENCES IN GOVERNMENT CONTRACTS, PROGRAMS, AND SERVICES," was deferred for a period of 48 hours.

Representative Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2786, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 65-02) recommending that S.B. No. 2786, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 65-02 and S.B. No. 2786, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOISTING MACHINE OPERATORS ADVISORY BOARD," was deferred for a period of 48 hours.

Representatives Kanohe and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 796, SD 1, HD 2, CD 1, presented a report (Conf. Com. Rep. No. 66-02) recommending that S.B. No. 796, SD 1, HD 2, CD 1, as amended in CD 2, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 66-02 and S.B. No. 796, SD 1, HD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE AND COUNTY TORT LIABILITY," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills. (Representatives McDermott, Ontai and Pendleton were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken in disagreeing to the amendments proposed by the Senate to the following House Bills, and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Fox and carried. (Representatives McDermott, Ontai and Pendleton were excused.)

April 2, 2002: H.B. No. 1011, HD 1, (SD 1);

April 11, 2002: H.B. Nos. 536, (SD 1); 1684, HD 1, (SD 2); 1700, HD 1, (SD 1); 1864, HD 1, (SD 1); 1999, (SD 1); 2176, HD 1, (SD 1); 2216, HD 1, (SD 1); 2413, HD 1, (SD 1); 2433, HD 1, (SD 1); 2553 (SD 1); 2569, HD 1, (SD 1); 2571 (SD 1); 2854, HD 1, (SD 1).

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended to consider a certain bill on Final Reading on the basis of a modified consent calendar. (Representatives McDermott, Ontai and Pendleton were excused.)

FINAL READING

The following bill was taken from the Clerk's desk and the following action taken:

Representative M. Oshiro then moved to agree to the amendments proposed by the Senate to H.B. No. 2582, HD 1, (SD 1) seconded by Representative Fox and carried. (Representatives McDermott, Ontai and Pendleton were excused.)

The Chair addressed the Clerk who announced that the record of vote form for the aforementioned bill had been received.

H.B. No. 2582, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2582, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Souki and Hamakawa). Noes, none. Excused, 1 (Pendleton).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2582, HD 1 and H.B. No. 2582, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Ontai and Pendleton being excused.

The Chair directed the Clerk to note that H.B. No. 2582, HD 1, SD 1 had passed Final Reading at 7:02 o'clock p.m.

At 7:02 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:03 o'clock p.m.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Concurrent Resolutions. (Representatives McDermott, Ontai and Pendleton were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken in disagreeing to the amendments proposed by the Senate to the following House Concurrent

Resolutions, and moved to agree to such amendments for the following House concurrent resolutions, seconded by Representative Fox and carried. (Representatives McDermott, Ontai and Pendleton were excused.)

H.C.R. 94, HD 1, (SD 1)
H.C.R. 103, HD 1, (SD 1)

FINAL ADOPTION

The following concurrent resolutions were taken from the Clerk's desk and the following action taken:

H.C.R. 94, HD 1, SD 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 94, HD 1, and H.C.R. No. 94, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF AN AGRICULTURAL TASK FORCE TO DEVELOP RECOMMENDATIONS FOR THE PROMOTION OF AGRICULTURAL DEVELOPMENT AND THE PROTECTION OF EXISTING AGRICULTURAL LAND RESOURCES AND THEIR COMPONENTS, " was Finally Adopted with Representative McDermott, Ontai and Pendleton being excused.

H.C.R. 103, HD 1, SD 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 103, HD 1 and H.C.R. No. 103, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE ENVIRONMENTAL COUNCIL, THE DEPARTMENT OF LAND AND NATURAL RESOURCES, SIERRA CLUB, HAWAII CHAPTER, LAND USE RESEARCH FOUNDATION, CONSERVATION COUNCIL OF HAWAII, ESTATE OF JAMES CAMPBELL, EARTHJUSTICE LEGAL DEFENSE FUND, UNIVERSITY OF HAWAII, DEPARTMENT OF AGRICULTURE, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, AND OTHER INTERESTED PARTIES, TO ANALYZE POTENTIAL AMENDMENTS TO HAWAII'S ENDANGERED SPECIES LAW, CHAPTER 195D, HAWAII REVISED STATUTES, TO FURTHER THE GOALS OF PROTECTING AND PROMOTING THE RECOVERY OF HAWAII'S UNIQUE AND IMPERILED FLORA AND FAUNA," was Finally Adopted, with Representatives McDermott, Ontai and Pendleton being excused.

ANNOUNCEMENTS

Representative Nakasone: "Mr. Speaker, I'd like to inform the members of this House that we have a Happy Birthday person today. Celebrating his 39 plus years, Speaker Emeritus Joseph Souki."

Representative Souki: "I want to thank you all for having the pleasure to serve all these years. And thank you Bob for the introduction. And thank you Terry for the lei. Thank you, you all just made my 39th birthday and I am looking forward to many more years. Thank you very much, Aloha, God Bless you all."

Representative Lee moved to keep the Journal open until 12:00 o'clock midnight this legislative day for the purpose of

receiving Conference Committee Reports, seconded by Representative Djou and carried. (Representatives McDermott, Ontai, Pendleton, were excused.)

Representative Lee moved that the House stand in recess until 11:30 o'clock a.m. tomorrow, Friday, April 26, 2002, seconded by Representative Djou.

At 7:06 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:07 o'clock p.m.

At this time, the Chair addressed the Body, stating:

"For the edification of the members of this House. The reason why we are starting session tomorrow at 11:30 is to address all of the members concerns, and for those who would like to go home on the weekend that may not have any conferences in the afternoon. All non-fiscal matters are supposed to be decked this evening by 12:00 midnight. For those conferees who are on fiscal matters you will have to stay until 12:00 midnight tomorrow.

"What I am trying to do is to run this House in a much more efficient way in getting the conference committee reports signed, sealed, and delivered to the respective House and Senate Clerks. That is the reason why.

"If we were to start at 6:30 p.m. tomorrow you may break up whatever conferences may be going on. And then we will only have until 12:00 midnight to get everything done. What I was trying to prevent, for those members who have seen what has happened in the last hours of conference know what I am talking about, I want to prevent these things from happening, having our committee reports being lost, members not wanting to show up to make conference decisions in both Chambers, and that is the reason why I am starting the session tomorrow at 11:30 a.m., so that we can get the job done on behalf of the people of the State of Hawaii."

Representative Marumoto rose to a point of inquiry, stating:

"Point of inquiry, Mr. Speaker. I am wondering whether the budget will be decked by 11:30 tomorrow?"

The Chair responded, stating:

"It will be by 11:30 tomorrow night or 11:45 tomorrow night because the Journal will be open for the decking. What I am saying to you is that decision making will have to be done before 12:00. If we were to break it to 6:30 and then go back into conference we may never get the job done. That is the purpose why we are doing what we're doing."

Representative Marumoto: "So all conference committees will be held before noon? Is that my understanding?"

Speaker Say: "To start at 9:00 in the morning break at 11:30 to have session, then go back into conference at 12:30 to whenever you folks finish. Rather than start session at 6:30, knowing that some of your members of the other Chamber may not be there for the final vote, that you may not get to vote on a particular conference matter. That is the reason. So if we start at, lets say, at 11:30 and get through by 12:30 you have eleven and a half hours to get the job done on behalf of the people of the State of Hawaii. My concern is that I do not want this Chamber to lose any of our H.B.s that are tied to the budget and all other fiscal appropriations measures."

Representative Marumoto: "Will the budget bill be available Saturday morning?"

Speaker Say: "At this point, I really can't say, but the print shop will be there and you will probably get the 48-hours because the next session will be on Tuesday."

Representative Marumoto: "Will the budget be available for certain on Monday?"

Speaker Say: "I would believe so, because the worksheets are going to be inputted into the system that is available to the general public. Every evening that the Finance Committee and the Ways and Means Committee has met, their revisions and amendments to the House and Senate drafts is already inputted into the computer system as far as your worksheets."

Representative Marumoto: "Thank you."

At 7:11 o'clock p.m., Representative Morita requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:12 o'clock p.m.

The motion was put to vote by the Chair and carried, and at 7:12 o'clock p.m., the House of Representatives stood in recess until 11:30 o'clock a.m., tomorrow, Friday, April 26, 2002 with Representatives McDermott, Ontai, Pendleton, Souki and Yonamine being excused.

CONFERENCE COMMITTEE REPORTS

In accordance with the motion made earlier, the following Conference Committee Reports (Conf. Com. Rep. Nos. 18-02 through 44-02, and 67-02 through 80-02) were received in the Clerk's Office prior to 12:00 o'clock midnight this legislative day and the following action taken.

Representatives Ito, Takumi, Hamakawa and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2166, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 18-02) recommending that H.B. No. 2166, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 18-02 and H.B. No. 2166, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representative Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1996, SD 1, presented a report (Conf. Com. Rep. No. 19-02) recommending that H.B. No. 1996, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 19-02 and H.B. No. 1996, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMINISTRATION OF TAXES," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 223, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 20-02) recommending that H.B. No. 223, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 20-02 and H.B. No. 223, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OPTOMETRY," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 741, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 21-02) recommending that H.B. No. 741, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 21-02 and H.B. No. 741, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL LIABILITY," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2120, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 22-02) recommending that H.B. No. 2120, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 22-02 and H.B. No. 2120, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CHILD-CUSTODY JURISDICTION AND ENFORCEMENT ACT," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2315, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 23-02) recommending that H.B. No. 2315, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 23-02 and H.B. No. 2315, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OBSTRUCTION OF INGRESS OR EGRESS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2427, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 24-02) recommending that H.B. No. 2427, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 24-02 and H.B. No. 2427, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VICTIMS OF CRIMES," was deferred for a period of 48 hours.

Representatives Hamakawa and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2438, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 25-02) recommending that H.B. No. 2438, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 25-02 and H.B. No. 2438, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTITY," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2817, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 26-02) recommending that H.B. No. 2817, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 26-02 and H.B. No. 2817, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII RULES OF EVIDENCE," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1749, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 27-02) recommending that H.B. No. 1749, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 27-02 and H.B. No. 1749, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," was deferred for a period of 48 hours.

Representatives Arakaki, B. Oshiro and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2521, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 28-02) recommending that H.B. No. 2521, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 28-02 and H.B. No. 2521, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROL OF DISEASE," was deferred for a period of 48 hours.

Representatives Souki, Ito and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1730, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 29-02) recommending that H.B. No. 1730, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 29-02 and H.B. No. 1730, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEE," was deferred for a period of 48 hours.

Representatives Souki, Takumi and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1731, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 30-02) recommending that H.B. No. 1731, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 30-02 and H.B. No. 1731, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEES," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2302, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 31-02)

recommending that H.B. No. 2302, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 31-02 and H.B. No. 2302, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVERS' LICENSES," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2509, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 32-02) recommending that H.B. No. 2509, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 32-02 and H.B. No. 2509, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1842, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 33-02) recommending that H.B. No. 1842, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 33-02 and H.B. No. 1842, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRACTICE OF PHARMACY," was deferred for a period of 48 hours.

Representatives Arakaki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1901, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 34-02) recommending that H.B. No. 1901, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 34-02 and H.B. No. 1901, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIV TESTING FOR SEXUAL OFFENSES," was deferred for a period of 48 hours.

Representatives Hamakawa, Garcia and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 771, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 35-02) recommending that H.B. No. 771, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 35-02 and H.B. No. 771, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2426, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 36-02) recommending that H.B. No. 2426, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 36-02 and H.B. No. 2426, HD 1, SD 1, CD 1, entitled: "A BILL FOR

AN ACT RELATING TO CRIMES AGAINST CHILDREN," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2065, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 37-02) recommending that H.B. No. 2065, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 37-02 and H.B. No. 2065, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NURSES," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2506, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 38-02) recommending that H.B. No. 2506, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 38-02 and H.B. No. 2506, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL STATISTICS," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2741, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 39-02) recommending that H.B. No. 2741, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 39-02 and H.B. No. 2741, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CIGARETTE AND TOBACCO TAX," was deferred for a period of 48 hours.

Representatives Hiraki, Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 202, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 40-02) recommending that H.B. No. 202, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 40-02 and H.B. No. 202, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1713, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 41-02) recommending that H.B. No. 1713, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 41-02 and H.B. No. 1713, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1715, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 42-02) recommending that H.B. No. 1715, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 42-02 and H.B. No. 1715, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1716, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 43-02) recommending that H.B. No. 1716, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 43-02 and H.B. No. 1716, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2832, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 44-02) recommending that H.B. No. 2832, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 44-02 and H.B. No. 2832, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING PLANS," was deferred for a period of 48 hours.

Representatives Hiraki, Hamakawa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 940, HD 2, presented a report (Conf. Com. Rep. No. 67-02) recommending that S.B. No. 940, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 67-02 and S.B. No. 940, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE UNFAIR PRACTICES," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2075, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 68-02) recommending that S.B. No. 2075, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 68-02 and S.B. No. 2075, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL HYGIENISTS," was deferred for a period of 48 hours.

Representatives Kanoho and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2309, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 69-02) recommending that S.B. No. 2309, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 69-02 and S.B. No. 2309, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATERCRAFT," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments

proposed by the House in S.B. No. 2824, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 70-02) recommending that S.B. No. 2824, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 70-02 and S.B. No. 2824, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," was deferred for a period of 48 hours.

Representatives Garcia and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 859, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 71-02) recommending that S.B. No. 859, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 71-02 and S.B. No. 859, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PAROLE," was deferred for a period of 48 hours.

Representatives Arakaki, Hamakawa and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 720, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 72-02) recommending that S.B. No. 720, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 72-02 and S.B. No. 720, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROHIBITION OF DISCRIMINATION BY PUBLIC ENTITIES TOWARDS INDIVIDUALS WITH DISABILITIES," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2337, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 73-02) recommending that S.B. No. 2337, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 73-02 and S.B. No. 2337, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RACING ON HIGHWAYS," was deferred for a period of 48 hours.

Representative Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2698, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 74-02) recommending that S.B. No. 2698, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 74-02 and S.B. No. 2698, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 846E, HAWAII REVISED STATUTES," was deferred for a period of 48 hours.

Representatives Kahikina and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 331, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 75-02) recommending that S.B. No. 331, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 75-02 and S.B. No. 331, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," was deferred for a period of 48 hours.

Representatives Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2733, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 76-02) recommending that S.B. No. 2733, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 76-02 and S.B. No. 2733, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representatives Morita and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2898, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 77-02) recommending that S.B. No. 2898, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 77-02 and S.B. No. 2898, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAVE PROTECTION," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2708, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 78-02) recommending that S.B. No. 2708, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 78-02 and S.B. No. 2708, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Hamakawa and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2234, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 79-02) recommending that S.B. No. 2234, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 79-02 and S.B. No. 2234, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL EXPLOITATION," was deferred for a period of 48 hours.

Representatives Arakaki, Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 233, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 80-02) recommending that S.B. No. 233, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 80-02 and S.B. No. 233, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHIROPRACTIC," was deferred for a period of 48 hours.

HOUSE COMMUNICATION

House Communication dated April 25, 2002 from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the Speaker has this day appointed as Conferees for the consideration of amendments proposed by the Senate to the following House Concurrent Resolution:

H.C.R. No. 11, SD 1:

Chair: Representative Arakaki
Members: Representatives Kahikina and McDermott

House Communication dated April 25, 2002 from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives to the Honorable President and Members of the Senate of the State of Hawaii, informing the Senate that the Speaker has this day appointed as Conferees for the consideration of amendments proposed by the House to the following Senate Concurrent Resolutions:

S.C.R. No. 43, HD 1:

Chair: Representative Souki
Members: Representatives Espero and Whalen

S.C.R. No. 44, SD 1, HD 1:

Co-Chairs: Representatives Garcia and Morita
Member: Representative Rath

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 11:30 o'clock a.m. tomorrow, Friday, April 26, 2002.

FIFTY-EIGHTH DAY

Friday, April 26, 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 11:45 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Father Raymund Ellorin of the Filipino Ministry, after which the Roll was called showing all members present with the exception of Representatives Gomes, Pendleton and Takamine who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Seventh Day was deferred.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 697 through 707) were received and announced by the Clerk:

Sen. Com. No. 697, dated April 25, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

H.B. 1245, HD 1, SD 1 Added Senator Chun Oakland as a member.

Sen. Com. No. 698, dated April 25, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

S.B. 251, SD 2, HD 1 Added Senator Taniguchi as a Co-Chair.

Sen. Com. No. 699, dated April 25, 2002, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following Concurrent Resolution:

S.C.R. No. 142, HD 1
Chair(s): Senator(s): Kawamoto
Co-Chair(s): Senator(s): Taniguchi
Member(s): Senator(s): Hemmings

Sen. Com. No. 700, transmitting H.C.R. No. 21, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE LEASE OF EASEMENT COVERING PORTION OF SUBMERGED LANDS AT MAUNALUA, HONOLULU, OAHU, FOR MAINTENANCE OF BREAKWATER PURPOSES," which was adopted by the Senate on April 25, 2002.

Sen. Com. No. 701, transmitting H.C.R. No. 137, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING CONGRESS'S PLAN TO ENDORSE AND OBTAIN OBSERVER STATUS FOR TAIWAN AT THE ANNUAL SUMMIT OF THE WORLD HEALTH ASSEMBLY IN MAY 2002 IN GENEVA, SWITZERLAND," which was adopted by the Senate on April 25, 2002.

Sen. Com. No. 702, transmitting H.C.R. No. 163, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO FACILITATE SECURING SPACE FOR THE COMMERCIAL HAUL OUT OF BOATS FOR SAFETY, COMPLIANCE INSPECTIONS, AND ECONOMIC DEVELOPMENT," which was adopted by the Senate on April 25, 2002.

Sen. Com. No. 703, dated April 25, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

H.B. 2832, HD 1, SD 2 Discharged Senator Kim as Chair; Added Senator Kim as a Member.

Discharged Senator Menor as Co-Chair; Added Senator Menor as Chair.

Sen. Com. No. 704, dated April 26, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bills:

S.B. 2179, SD 2, HD 1 Added Senator Fukunaga as a Co-Chair.

H.B. 2164, HD 2, SD 2 Discharged Senator Hogue as a Member.

Sen. Com. No. 705, dated April 26, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bills:

S.B. 2270, SD 2, HD 2 Discharged Senator Hogue as a Member.

S.B. 3018, SD 1, HD 1 Discharged Senator Hogue as a Member.

Sen. Com. No. 706, dated April 26, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

S.B. 2270, SD 2, HD 2 Discharged Senator Ige as a Member.

Added Senator English as a Member.

Sen. Com. No. 707, dated April 26, 2002, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

S.B. 2036, SD 1, HD 2 Discharged Senator Hogue as a Member.

INTRODUCTIONS

The following introduction was made to the members of the House:

Representative Morita introduced on behalf Representatives Kawakami and Kanoho, visiting from the island of Kauai, Ms. Johanna Gomez, a fellow in the Agricultural Leadership Foundation of Hawaii Program.

ORDER OF THE DAY

UNFINISHED BUSINESS

Conf. Com. Rep. No. 4-02 and H.B. No. 2527, SD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

Conf. Com. Rep. No. 54-02 and S.B. No. 99, HD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

Conf. Com. Rep. No. 55-02 and S.B. No. 2964, SD 2, HD 2, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

Conf. Com. Rep. No. 56-02 and S.B. No. 3053, SD 2, HD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

Conf. Com. Rep. No. 57-02 and S.B. No. 3040, SD 2, HD 2, CD 1:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

STANDING COMMITTEE REPORTS

Representative Ito, for the Committee on Education presented a report (Stand. Com. Rep. No. 1397-02) recommending that S.C.R. No. 18, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 18, entitled: "SENATE CONCURRENT RESOLUTION ADOPTING OUTCOME INDICATORS OF WELL-BEING FOR HAWAII'S CHILDREN AND FAMILIES," was adopted, with Representatives Hale, Pendleton and Takamine being excused.

CONFERENCE COMMITTEE REPORTS

Representatives Ito, Takumi and Hamakawa and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2166, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 18-02) recommending that H.B. No. 2166, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 18-02 and H.B. No. 2166, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representative Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1996, SD 1, presented a report (Conf. Com. Rep. No. 19-02) recommending that H.B. No. 1996, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 19-02 and H.B. No. 1996, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMINISTRATION OF TAXES," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 223, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 20-02)

recommending that H.B. No. 223, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 20-02 and H.B. No. 223, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OPTOMETRY," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 741, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 21-02) recommending that H.B. No. 741, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 21-02 and H.B. No. 741, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL LIABILITY," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2120, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 22-02) recommending that H.B. No. 2120, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 22-02 and H.B. No. 2120, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CHILD-CUSTODY JURISDICTION AND ENFORCEMENT ACT," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2315, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 23-02) recommending that H.B. No. 2315, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 23-02 and H.B. No. 2315, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OBSTRUCTION OF INGRESS OR EGRESS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2427, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 24-02) recommending that H.B. No. 2427, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 24-02 and H.B. No. 2427, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VICTIMS OF CRIMES," was deferred for a period of 48 hours.

Representatives Hamakawa and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2438, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 25-02) recommending that H.B. No. 2438, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 25-02 and H.B. No. 2438, HD 1, SD 1, CD 1, entitled: "A BILL FOR

AN ACT RELATING TO IDENTITY," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2817, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 26-02) recommending that H.B. No. 2817, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 26-02 and H.B. No. 2817, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII RULES OF EVIDENCE," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1749, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 27-02) recommending that H.B. No. 1749, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 27-02 and H.B. No. 1749, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," was deferred for a period of 48 hours.

Representatives Arakaki, B. Oshiro and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2521, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 28-02) recommending that H.B. No. 2521, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 28-02 and H.B. No. 2521, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROL OF DISEASE," was deferred for a period of 48 hours.

Representatives Souki, Ito and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1730, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 29-02) recommending that H.B. No. 1730, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 29-02 and H.B. No. 1730, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEE," was deferred for a period of 48 hours.

Representatives Souki, Takumi and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1731, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 30-02) recommending that H.B. No. 1731, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 30-02 and H.B. No. 1731, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEES," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the

amendments proposed by the Senate in H.B. No. 2302, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 31-02) recommending that H.B. No. 2302, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 31-02 and H.B. No. 2302, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVERS' LICENSES," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2509, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 32-02) recommending that H.B. No. 2509, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 32-02 and H.B. No. 2509, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1842, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 33-02) recommending that H.B. No. 1842, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 33-02 and H.B. No. 1842, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRACTICE OF PHARMACY," was deferred for a period of 48 hours.

Representatives Arakaki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1901, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 34-02) recommending that H.B. No. 1901, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 34-02 and H.B. No. 1901, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIV TESTING FOR SEXUAL OFFENSES," was deferred for a period of 48 hours.

Representatives Hamakawa, Garcia and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 771, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 35-02) recommending that H.B. No. 771, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 35-02 and H.B. No. 771, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2426, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 36-02) recommending that H.B. No. 2426, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 36-02

and H.B. No. 2426, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMES AGAINST CHILDREN," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2065, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 37-02) recommending that H.B. No. 2065, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 37-02 and H.B. No. 2065, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NURSES," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2506, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 38-02) recommending that H.B. No. 2506, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 38-02 and H.B. No. 2506, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL STATISTICS," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2741, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 39-02) recommending that H.B. No. 2741, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 39-02 and H.B. No. 2741, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CIGARETTE AND TOBACCO TAX," was deferred for a period of 48 hours.

Representatives Hiraki, Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 202, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 40-02) recommending that H.B. No. 202, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 40-02 and H.B. No. 202, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1713, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 41-02) recommending that H.B. No. 1713, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 41-02 and H.B. No. 1713, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1715, HD 1, SD 1, presented a report

(Conf. Com. Rep. No. 42-02) recommending that H.B. No. 1715, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 42-02 and H.B. No. 1715, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1716, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 43-02) recommending that H.B. No. 1716, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 43-02 and H.B. No. 1716, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2832, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 44-02) recommending that H.B. No. 2832, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 44-02 and H.B. No. 2832, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING PLANS," was deferred for a period of 48 hours.

Representatives Hiraki, Hamakawa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 940, HD 2, presented a report (Conf. Com. Rep. No. 67-02) recommending that S.B. No. 940, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 67-02 and S.B. No. 940, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE UNFAIR PRACTICES," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina, Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2075, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 68-02) recommending that S.B. No. 2075, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 68-02 and S.B. No. 2075, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL HYGIENISTS," was deferred for a period of 48 hours.

Representatives Kanoho and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2309, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 69-02) recommending that S.B. No. 2309, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 69-02 and S.B. No. 2309, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATERCRAFT," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2824, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 70-02) recommending that S.B. No. 2824, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 70-02 and S.B. No. 2824, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," was deferred for a period of 48 hours.

Representatives Garcia and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 859, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 71-02) recommending that S.B. No. 859, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 71-02 and S.B. No. 859, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PAROLE," was deferred for a period of 48 hours.

Representatives Arakaki, Hamakawa and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 720, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 72-02) recommending that S.B. No. 720, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 72-02 and S.B. No. 720, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROHIBITION OF DISCRIMINATION BY PUBLIC ENTITIES TOWARDS INDIVIDUALS WITH DISABILITIES," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2337, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 73-02) recommending that S.B. No. 2337, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 73-02 and S.B. No. 2337, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RACING ON HIGHWAYS," was deferred for a period of 48 hours.

Representative B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2698, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 74-02) recommending that S.B. No. 2698, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 74-02 and S.B. No. 2698, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 846E, HAWAII REVISED STATUTES," was deferred for a period of 48 hours.

Representatives Kahikina and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 331, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 75-02)

recommending that S.B. No. 331, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 75-02 and S.B. No. 331, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," was deferred for a period of 48 hours.

Representatives Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2733, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 76-02) recommending that S.B. No. 2733, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 76-02 and S.B. No. 2733, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representatives Morita and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2898, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 77-02) recommending that S.B. No. 2898, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 77-02 and S.B. No. 2898, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAVE PROTECTION," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2708, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 78-02) recommending that S.B. No. 2708, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 78-02 and S.B. No. 2708, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Hamakawa and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2234, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 79-02) recommending that S.B. No. 2234, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 79-02 and S.B. No. 2234, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL EXPLOITATION," was deferred for a period of 48 hours.

Representatives Arakaki, Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 233, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 80-02) recommending that S.B. No. 233, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 80-02 and S.B. No. 233, SD 2, HD 2, CD 1, entitled: "A BILL FOR

AN ACT RELATING TO CHIROPRACTIC," was deferred for a period of 48 hours.

THIRD READING

S.B. No. 2693:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

S.B. No. 2632:

By unanimous consent, action was deferred until Tuesday, April 30, 2002

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills. (Representatives Pendleton and Takamine were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken on April 11, 2002, in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Fox, and carried: (Representative Pendleton was excused.)

H.B. No. 2349, HD 1 (SD 1)
H.B. No. 2449, HD 1 (SD 2)
H.B. No. 2537, (SD 1)

At 11:54 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:56 o'clock p.m.

OTHER MATTERS

Representative Yoshinaga moved to suspend the rules of the House which interfere with House action on S.B. No. 2961, SD 2, including any Decking and Crossover deadlines of the 2002 Legislative Timetable, seconded by Representative Davis.

Representative Yoshinaga also requested a roll call vote on the motion at the appropriate time.

At 11:58 o'clock a.m., Representative Whalen requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:59 o'clock p.m.

Roll call having been previously requested, and by unanimous consent granted, the motion to suspend the rules of the House that interfere with House action on S.B. No. 2961, SD 2, entitled: "A BILL FOR AN ACT RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY

ASSOCIATION TRUSTS," was put to vote by Chair and failed to carry on the following show of Ayes and Noes:

25 Ayes: Representatives Ahu Isa, Auwae, Bukoski, Cabrerros, Davis, Djou, Espero, Fox, Halford, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Rath, Souki, Stonebraker, Takai, Takumi, Thielen, Whalen, Yonamine and Yoshinaga.

24 Noes: Representatives Abinsay, Arakaki, Case, Chang, Garcia, Gomes, Hale, Hamakawa, Hiraki, Ito, Kahikina, Kanoho, Kawakami, Lee, Luke, Magaoay, Morita, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Suzuki and Takamine.

2 Excused: Representatives Nakasone and Pendleton.

ANNOUNCEMENTS

Representative Hiraki: "Mr. Speaker I request the waiver of the 24-hour rule for the purpose of convening the conference committee on S.B. 2179," and the Chair, "so ordered."

Representative Hiraki: "Mr. Speaker, the Conference Committee on S.B. 2179 will convene today in room 016 at 8:00 p.m. I understand a similar waiver for this bill is being obtained in the Senate. Thank you."

Speaker Say: "Representative Hiraki, for the edification of the members, for the bill that you are requesting the 24-hour waiver please give the title or what it is related to."

Representative Hiraki: "It has the title of Relating to Energy Resources, but it has to do with the cap on gasoline prices."

Representative Souki: "Mr. Speaker, thank you very much. We are going to be continuing the conference on Transportation in room 224 immediately after the session Mr. Speaker and members."

Representative Thielen rose to a point of inquiry, stating:

"Mr. Speaker just a point of inquiry. Is it necessary to have a majority of the members present to suspend the rules of the House? Because if so, we did have a majority vote to suspend the rules of the House."

The Chair responded, stating:

"The majority is the 26 simple majority vote."

Representative Thielen: "Regardless of the number that are here present?"

Speaker: "Yes, in order to suspend the rules of the House."

LATE INTRODUCTION

The following introductions were made to the members of the House:

Representative Ito introduced Castle High School teacher, Mr. Mark Kane, who was seated in the gallery.

Representative Gomes also acknowledged Mr. Mark Kane as a coach and friend.

Representative Lee moved to keep the Journal open until 12:00 o'clock midnight this legislative day, seconded by Representative Djou and carried. (Representatives Nakasone and Pendleton were excused.)

RECESS

At 12:04 o'clock p.m. on motion by Representative Lee, seconded by Representative Djou and carried, the House of Representatives stood in recess until 10:00 o'clock a.m., Tuesday, April 30, 2002. (Representatives Nakasone and Pendleton were excused.)

CONFERENCE COMMITTEE REPORTS

In accordance with the motion made earlier, the following Conference Committee Reports (Conf. Com. Rep. Nos. 45-02 through 50-02, and 81-02 through 165-02) were received in the Clerk's Office prior to 12:00 o'clock midnight this legislative day and the following action taken.

Representatives Hamakawa and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2843, SD 2, presented a report (Conf. Com. Rep. No. 45-02) recommending that H.B. No. 2843, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 45-02 and H.B. No. 2843, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," was deferred for a period of 48 hours.

Representative Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2720, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 46-02) recommending that H.B. No. 2720, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 46-02 and H.B. No. 2720, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE USE TAX," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2495, SD 1, presented a report (Conf. Com. Rep. No. 47-02) recommending that H.B. No. 2495, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 47-02 and H.B. No. 2495, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES," was deferred for a period of 48 hours.

Representatives Souki, Hiraki and Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1722, SD 1, presented a report (Conf. Com. Rep. No. 48-02) recommending that H.B. No. 1722, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 48-02 and H.B. No. 1722, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," was deferred for a period of 48 hours.

Representatives Kanoho, Morita and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2552,

HD 1, SD 1, presented a report (Conf. Com. Rep. No. 49-02) recommending that H.B. No. 2552, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 49-02 and H.B. No. 2552, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEFINITION OF LANDOWNER FOR SAFE HARBOR AGREEMENTS AND HABITAT CONSERVATION PLANS," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1357, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 50-02) recommending that H.B. No. 1357, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 50-02 and H.B. No. 1357, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was deferred for a period of 48 hours.

Representatives Arakaki, Hamakawa and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 594, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 81-02) recommending that S.B. No. 594, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 81-02 and S.B. No. 594, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NEUROTRAUMA," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 733, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 82-02) recommending that S.B. No. 733, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 82-02 and S.B. No. 733, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," was deferred for a period of 48 hours.

Representatives Morita and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3063, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 83-02) recommending that S.B. No. 3063, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 83-02 and S.B. No. 3063, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2757, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 84-02) recommending that S.B. No. 2757, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 84-02 and S.B. No. 2757, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDMENTS TO ACT 253, SESSION LAWS OF HAWAII 2000," was deferred for a period of 48 hours.

Representatives Kanoho, Morita and Magaoay, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2802, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 85-02) recommending that S.B. No. 2802, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 85-02 and S.B. No. 2802, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEASING OF PUBLIC LANDS TO RENEWABLE ENERGY PRODUCERS," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2763, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 86-02) recommending that S.B. No. 2763, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 86-02 and S.B. No. 2763, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BIRTH DEFECTS," was deferred for a period of 48 hours.

Representative Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2775, HD 1, presented a report (Conf. Com. Rep. No. 87-02) recommending that S.B. No. 2775, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 87-02 and S.B. No. 2775, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION," was deferred for a period of 48 hours.

Representatives Hamakawa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2682, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 88-02) recommending that S.B. No. 2682, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 88-02 and S.B. No. 2682, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," was deferred for a period of 48 hours.

Representatives Chang and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2350, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 89-02) recommending that S.B. No. 2350, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 89-02 and S.B. No. 2350, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT

ACCOMMODATIONS TAX," was deferred for a period of 48 hours.

Representatives Abinsay and Cabrerros, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2666, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 90-02) recommending that S.B. No. 2666, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 90-02 and S.B. No. 2666, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A SEAL OF QUALITY FOR FRESH AND PROCESSED AGRICULTURAL PRODUCTS," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 706, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 91-02) recommending that S.B. No. 706, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 91-02 and S.B. No. 706, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE GOVERNMENT," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 23, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 92-02) recommending that S.B. No. 23, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 92-02 and S.B. No. 23, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2078, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 93-02) recommending that S.B. No. 2078, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 93-02 and S.B. No. 2078, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred for a period of 48 hours.

Representatives Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2724, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 94-02) recommending that S.B. No. 2724, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 94-02 and S.B. No. 2724, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE," was deferred for a period of 48 hours.

Representatives Hamakawa, Hiraki and Magaoay, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2737,

HD 1, presented a report (Conf. Com. Rep. No. 95-02) recommending that S.B. No. 2737, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 95-02 and S.B. No. 2737, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," was deferred for a period of 48 hours.

Representatives Garcia, Arakaki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1188, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 96-02) recommending that S.B. No. 1188, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 96-02 and S.B. No. 1188, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING FOR DRUGS AND INTOXICATING COMPOUNDS OFFENSES," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2416, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 97-02) recommending that S.B. No. 2416, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 97-02 and S.B. No. 2416, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2867, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 98-02) recommending that S.B. No. 2867, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 98-02 and S.B. No. 2867, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," was deferred for a period of 48 hours.

Representatives Abinsay and Cabrerros, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2228, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 99-02) recommending that S.B. No. 2228, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 99-02 and S.B. No. 2228, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES," was deferred for a period of 48 hours.

Representatives Ahu Isa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2907, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 100-02) recommending that S.B. No. 2907, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 100-02 and S.B. No. 2907, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2512, SD 2, presented a report (Conf. Com. Rep. No. 101-02) recommending that H.B. No. 2512, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 101-02 and H.B. No. 2512, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC HEALTH NURSING SERVICES SPECIAL FUND," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1595, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 102-02) recommending that H.B. No. 1595, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 102-02 and H.B. No. 1595, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2276, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 103-02) recommending that H.B. No. 2276, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 103-02 and H.B. No. 2276, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2500, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 104-02) recommending that H.B. No. 2500, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 104-02 and H.B. No. 2500, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATUTORY REFERENCES AFFECTED BY ACT 253, SESSION LAWS OF HAWAII 2000," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2525, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 105-02) recommending that H.B. No. 2525, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 105-02 and H.B. No. 2525, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS PROJECTS," was deferred for a period of 48 hours.

Representatives Kanohe, Abinsay and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2018, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 106-02) recommending that H.B. No. 2018, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 106-02 and H.B. No. 2018, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LEASES," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1950, SD 2, presented a report (Conf. Com. Rep. No. 107-02) recommending that H.B. No. 1950, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 107-02 and H.B. No. 1950, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2072, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 108-02) recommending that H.B. No. 2072, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 108-02 and H.B. No. 2072, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WELFARE," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2638, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 109-02) recommending that H.B. No. 2638, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 109-02 and H.B. No. 2638, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT," was deferred for a period of 48 hours.

Representatives Hamakawa and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2311, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 110-02) recommending that H.B. No. 2311, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 110-02 and H.B. No. 2311, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO JUDGES FOR THE CIRCUIT COURT," was deferred for a period of 48 hours.

Representatives Ito, Saiki and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2165, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 111-02)

recommending that H.B. No. 2165, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 111-02 and H.B. No. 2165, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Ito and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2353, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 112-02) recommending that H.B. No. 2353, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 112-02 and H.B. No. 2353, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Chang and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2192, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 113-02) recommending that H.B. No. 2192, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 113-02 and H.B. No. 2192, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," was deferred for a period of 48 hours.

Representatives Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1777, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 114-02) recommending that H.B. No. 1777, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 114-02 and H.B. No. 1777, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," was deferred for a period of 48 hours.

Representatives Hiraki and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2468, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 115-02) recommending that H.B. No. 2468, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 115-02 and H.B. No. 2468, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CEMETERY AND FUNERAL TRUSTS," was deferred for a period of 48 hours.

Representatives Takumi and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2164, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 116-02) recommending that H.B. No. 2164, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 116-02 and H.B. No. 2164, HD 2, SD 2, CD 1, entitled: "A BILL FOR

AN ACT RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM," was deferred for a period of 48 hours.

Representatives Takumi and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2752, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 117-02) recommending that H.B. No. 2752, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 117-02 and H.B. No. 2752, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES," was deferred for a period of 48 hours.

Representatives Ahu Isa and Magaoay, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2453, SD 1, presented a report (Conf. Com. Rep. No. 118-02) recommending that H.B. No. 2453, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 118-02 and H.B. No. 2453, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CAPITAL LOAN PROGRAM," was deferred for a period of 48 hours.

Representatives Ahu Isa and Magaoay, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2454, SD 1, presented a report (Conf. Com. Rep. No. 119-02) recommending that H.B. No. 2454, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 119-02 and H.B. No. 2454, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENTERPRISE ZONES," was deferred for a period of 48 hours.

Representatives Ito and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1969, SD 1, presented a report (Conf. Com. Rep. No. 120-02) recommending that H.B. No. 1969, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 120-02 and H.B. No. 1969, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," was deferred for a period of 48 hours.

Representatives Ito and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2480, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 121-02) recommending that H.B. No. 2480, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 121-02 and H.B. No. 2480, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL BUS FARES," was deferred for a period of 48 hours.

Representatives Morita, B. Oshiro and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2212,

HD 1, SD 2, presented a report (Conf. Com. Rep. No. 122-02) recommending that H.B. No. 2212, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 122-02 and H.B. No. 2212, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ALIEN INVASIVE SPECIES," was deferred for a period of 48 hours.

Representatives Morita, B. Oshiro and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2006, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 123-02) recommending that H.B. No. 2006, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 123-02 and H.B. No. 2006, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL WASTES RECYCLING," was deferred for a period of 48 hours.

Representatives Morita, Ahu Isa and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1256, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 124-02) recommending that H.B. No. 1256, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 124-02 and H.B. No. 1256, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOLID WASTE MANAGEMENT," was deferred for a period of 48 hours.

Representatives Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2761, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 125-02) recommending that H.B. No. 2761, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 125-02 and H.B. No. 2761, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY ORAL HEALTH," was deferred for a period of 48 hours.

Representative Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2840, SD 2, presented a report (Conf. Com. Rep. No. 126-02) recommending that H.B. No. 2840, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 126-02 and H.B. No. 2840, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE GOVERNMENT," was deferred for a period of 48 hours.

Representatives Suzuki and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1821, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 127-02) recommending that H.B. No. 1821, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 127-02 and H.B. No. 1821, HD 2, SD 1, CD 1, entitled: "A BILL FOR

AN ACT RELATING TO THE LEGISLATIVE AUDITOR," was deferred for a period of 48 hours.

Representatives Chang and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2451, SD 2, presented a report (Conf. Com. Rep. No. 128-02) recommending that H.B. No. 2451, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 128-02 and H.B. No. 2451, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER," was deferred for a period of 48 hours.

Representatives Chang, Abinsay and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2595, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 129-02) recommending that H.B. No. 2595, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 129-02 and H.B. No. 2595, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO ENHANCE AGRICULTURAL TOURISM VENUES," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2821, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 130-02) recommending that H.B. No. 2821, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 130-02 and H.B. No. 2821, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE DEPARTMENTS," was deferred for a period of 48 hours.

Representatives B. Oshiro and Espero, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2043, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 131-02) recommending that S.B. No. 2043, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 131-02 and S.B. No. 2043, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADOPTION," was deferred for a period of 48 hours.

Representatives Hamakawa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2478, HD 1, presented a report (Conf. Com. Rep. No. 132-02) recommending that S.B. No. 2478, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 132-02 and S.B. No. 2478, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRUSTEES OF THE OFFICE OF HAWAIIAN AFFAIRS," was deferred for a period of 48 hours.

Representatives Morita, Kanoho and Magaoay, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2900,

HD 1, presented a report (Conf. Com. Rep. No. 133-02) recommending that S.B. No. 2900, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 133-02 and S.B. No. 2900, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE EMERGENCY ENVIRONMENTAL WORKFORCE," was deferred for a period of 48 hours.

Representatives Garcia and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 552, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 134-02) recommending that S.B. No. 552, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 134-02 and S.B. No. 552, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A KOREAN WAR MUSEUM," was deferred for a period of 48 hours.

Representatives Takumi and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2067, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 135-02) recommending that S.B. No. 2067, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 135-02 and S.B. No. 2067, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," was deferred for a period of 48 hours.

Representatives Ito and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2068, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 136-02) recommending that S.B. No. 2068, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 136-02 and S.B. No. 2068, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL REPAIR AND MAINTENANCE," was deferred for a period of 48 hours.

Representatives Ito and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2270, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 137-02) recommending that S.B. No. 2270, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 137-02 and S.B. No. 2270, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Ito, Saiki and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2512, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 138-02) recommending that S.B. No. 2512, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 138-02

and S.B. No. 2512, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," was deferred for a period of 48 hours.

Representatives Ahu Isa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2831, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 139-02) recommending that S.B. No. 2831, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 139-02 and S.B. No. 2831, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AN EXTENSION OF THE RESIDENTIAL CONSTRUCTION AND REMODELING INCOME TAX CREDIT," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3048, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 140-02) recommending that S.B. No. 3048, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 140-02 and S.B. No. 3048, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BONDS," was deferred for a period of 48 hours.

Representatives Hiraki and Magaoay, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 251, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 141-02) recommending that S.B. No. 251, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 141-02 and S.B. No. 251, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," was deferred for a period of 48 hours.

Representatives Saiki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2127, HD 1, presented a report (Conf. Com. Rep. No. 142-02) recommending that S.B. No. 2127, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 142-02 and S.B. No. 2127, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3047, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 143-02) recommending that S.B. No. 3047, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 143-02 and S.B. No. 3047, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE WAIPAHU COMMUNITY ADULT DAY HEALTH CENTER AND YOUTH DAY CARE CENTER PILOT PROJECT," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2500, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 144-02) recommending that S.B. No. 2500, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 144-02 and S.B. No. 2500, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," was deferred for a period of 48 hours.

Representatives Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2568, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 145-02) recommending that S.B. No. 2568, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 145-02 and S.B. No. 2568, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LANGUAGE ACCESS FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY," was deferred for a period of 48 hours.

Representatives Souki and Espero, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3049, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 146-02) recommending that S.B. No. 3049, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 146-02 and S.B. No. 3049, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BONDS," was deferred for a period of 48 hours.

Representatives Kanoho and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2702, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 147-02) recommending that S.B. No. 2702, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 147-02 and S.B. No. 2702, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KALAELOA COMMUNITY DEVELOPMENT DISTRICT," was deferred for a period of 48 hours.

Representatives Chang and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2331, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 148-02) recommending that S.B. No. 2331, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 148-02 and S.B. No. 2331, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION," was deferred for a period of 48 hours.

Representatives Souki and Espero, for the Committee on Conference on the disagreeing vote of the Senate to the

amendments proposed by the House in S.B. No. 2306, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 149-02) recommending that S.B. No. 2306, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 149-02 and S.B. No. 2306, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," was deferred for a period of 48 hours.

Representatives Hiraki and Nakasone, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2883, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 150-02) recommending that S.B. No. 2883, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 150-02 and S.B. No. 2883, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2431, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 151-02) recommending that S.B. No. 2431, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 151-02 and S.B. No. 2431, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," was deferred for a period of 48 hours.

Representatives Souki, Hiraki and Espero, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3028, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 152-02) recommending that S.B. No. 3028, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 152-02 and S.B. No. 3028, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REGULATION OF WARRANTORS OF VEHICLE PROTECTION PRODUCTS," was deferred for a period of 48 hours.

Representatives Ito, Hamakawa and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3018, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 153-02) recommending that S.B. No. 3018, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 153-02 and S.B. No. 3018, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Ito and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2036, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 154-02) recommending that S.B. No. 2036, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 154-02 and S.B. No. 2036, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Ahu Isa and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2383, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 155-02) recommending that S.B. No. 2383, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 155-02 and S.B. No. 2383, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION TO STIMULATE THE ECONOMY," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2985, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 156-02) recommending that S.B. No. 2985, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 156-02 and S.B. No. 2985, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO QUALIFIED IMPROVEMENT TAX CREDIT," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2459, SD 2, presented a report (Conf. Com. Rep. No. 157-02) recommending that H.B. No. 2459, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 157-02 and H.B. No. 2459, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATION FOR SOCIAL SECURITY/MEDICARE EXPENSES," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2788, SD 1, presented a report (Conf. Com. Rep. No. 158-02) recommending that H.B. No. 2788, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 158-02 and H.B. No. 2788, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1245, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 159-02) recommending that H.B. No. 1245, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 159-02 and H.B. No. 1245, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments

proposed by the Senate in H.B. No. 2827, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 160-02) recommending that H.B. No. 2827, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 160-02 and H.B. No. 2827, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FINANCES," was deferred for a period of 48 hours.

Representatives Hiraki, Arakaki and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2834, SD 2, presented a report (Conf. Com. Rep. No. 161-02) recommending that H.B. No. 2834, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 161-02 and H.B. No. 2834, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," was deferred for a period of 48 hours.

Representatives Hiraki, Arakaki and Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1761, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 162-02) recommending that H.B. No. 1761, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 162-02 and H.B. No. 1761, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representatives Morita, Hiraki and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2179, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 163-02) recommending that S.B. No. 2179, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 163-02 and S.B. No. 2179, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY RESOURCES," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2300, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 164-02) recommending that H.B. No. 2300, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 164-02 and H.B. No. 2300, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1800, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 165-02) recommending that H.B. No. 1800, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 165-02 and H.B. No. 1800, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," was deferred for a period of 48 hours.

HOUSE COMMUNICATION

Dated April 26, 2002, informing the Senate that the House has made the following changes to the conferees on the following measure:

H.B. No. 1245, Discharged Representatives Nakasone
HD 1, SD 1 and Djou as Members.

Added Representatives Saiki and
Marumoto as Members.

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 10:00 o'clock a.m. Tuesday, April 30, 2002.

FIFTY-NINTH DAY

Tuesday, April 30, 2002

HONOLULU
APRIL 26, 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 10:20 o'clock a.m. with the Speaker presiding.

The invocation was delivered by Mr. Michael Arakaki, of the House Sergeant-at-Arms Office, after which the Roll was called showing all members present with the exception of Representatives Meyer, Takai, Takumi and Yoshinaga who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Eighth Day was deferred.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 237 through 240) were received and announced by the Clerk:

Gov. Msg. No. 237, informing the House that the following bills were signed into law:

H.B. No. 1093, RELATING TO THE USE OF WASHINGTON PLACE FOR CAMPAIGN ACTIVITIES (ACT 046)

H.B. No. 1723, RELATING TO MOTOR VEHICLE SAFETY (ACT 047)

H.B. No. 1725, HD 1, RELATING TO DRIVER LICENSE RENEWAL BY MAIL (ACT 048)

H.B. NO. 2199, HD 1, RELATING TO LIQUOR (ACT 049)

H.B. NO. 2282, RELATING TO AGREEMENTS TO ARBITRATE MADE BEFORE JULY 1, 2002 (ACT 050)

H.B. NO. 2507, HD 3, RELATING TO REGISTRATION OF DIVORCES AND ANNULMENTS (ACT 051)

S.B. 2094, SD 2, RELATING TO HEALTH INSURANCE REIMBURSEMENT (ACT 052)

S.B. NO. 2681, SD 1, RELATING TO PUBLIC WORKS (ACT 053)

S.B. NO. 2769, RELATING TO MENTAL HEALTH (ACT 054)

Gov. Msg. No. 238, informing the House that the following bills were signed into law:

H.B. NO. 57, HD 2, RELATING TO AGRICULTURE (ACT 055)

H.B. NO. 2232, HD 1, RELATING TO THE WHISTLEBLOWERS' PROTECTION ACT (ACT 056)

S.B. NO. 2881, SD 1, RELATING TO ELDERLY CARE (ACT 057)

Gov. Msg. No. 239, returning House Bill No. 2266, without his approval and his statement of objections relating to the measure, as follow:

"EXECUTIVE CHAMBERS

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2266

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith without my approval, House Bill No. 2266, entitled "A Bill for an Act Relating to Accreted Lands."

The purpose of House Bill No. 2266 generally is to permit only the State to own accreted land, which is a land extension along a shoreline (above the upper reaches of the wash of the waves) that has been formed by natural and gradual growth. This is a marked departure from the clearly established common law of this State and it does not appear that adequate consideration has been given to the impact of this measure or how it is to be implemented. Moreover, there are many unanswered questions raised by the bill that could have significant effects on private landowners.

The bill contains confusing provisions. For one thing, section 1 adds to section 171-1, Hawaii Revised Statutes, a definition of the term "accreted lands" to mean "lands formed by the gradual accumulation of land on a beach or shore along the ocean by the action of natural forces." The definition does not include the requirement in sections 501-33 and 669-1, Hawaii Revised Statutes, that an accretion be permanent (in existence for at least twenty years). Also, section 2 amends the definition of "public land" in section 171-2, Hawaii Revised Statutes, to include accreted lands formed after August 15, 1895, without qualification, so that it could be interpreted to make even privately owned accreted land public land, thereby placing a cloud on the title of privately owned ocean front land.

While generally precluding recognition of private ownership in accreted lands, the bill makes an exception when accretion merely restores land that had been previously eroded. Because shorelines are constantly changing, without specifying reference dates from which these determinations are to be made, in most cases it may be impossible to determine whether the accretion falls within the category of accretion or restoration of eroded lands.

Finally, I understand that the intent of this bill is not to undo any past adjudications of private ownership of accreted lands. However, the bill is silent as to the fate of currently pending applications for such adjudications.

There are too many uncertainties and issues about how this bill will be implemented. These uncertainties are likely to lead to costly litigation.

For the foregoing reasons, I am returning House Bill No. 2266 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 240, returning Senate Bill Nos. 2765, 2805 and 3010 without his approval and his statement of objections relating to the measure, as follow:

"EXECUTIVE CHAMBERS
HONOLULU
April 25, 2002

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

STATEMENT OF OBJECTIONS TO SENATE BILL NO.
2765

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2765, entitled "A Bill for an Act Relating to Registration of Divorces and Annulments."

The purpose of this bill is to repeal section 338-29, Hawaii Revised Statutes, which requires registration of divorces and annulments with the Department of Health. The bill streamlines the divorce and annulment process by eliminating the registration requirement after December 31, 2002.

House Bill No. 2507, which also repeals section 338-29, Hawaii Revised Statutes, was passed during the regular session of 2002. Because I intend to approve House Bill No. 2507, there is no need to approve this bill.

For the foregoing reason, I am returning Senate Bill No. 2765 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
April 25, 2002

STATEMENT OF OBJECTIONS TO SENATE BILL NO.
2805

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2805, entitled "A Bill for an Act Relating to Soil and Water Conservation Districts."

The purpose of this bill is to remove the requirement that all contributions, moneys, and funds received by a soil and water conservation district be deposited into the general fund.

The soil and water conservation districts are state agencies created pursuant to chapter 180, Hawaii Revised Statutes, and, pursuant to section 103-2, Hawaii Revised Statutes, all state agencies are required to deposit moneys they receive into the general fund unless the receipts are statutorily designated for deposit into a special fund. There is no special fund established for the districts and, therefore, the mere deletion of working from section 180-16, Hawaii Revised Statutes, will not accomplish the purpose of this bill.

For the foregoing reason, I am returning Senate Bill No. 2805 without my approval.

Respectfully,

"EXECUTIVE CHAMBERS
HONOLULU
April 26, 2002

STATEMENT OF OBJECTIONS TO SENATE BILL NO.
3010

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 3010, entitled "A Bill for an Act Relating to Pension and Retirement Systems."

The purpose of this bill is to enable a firefighter who has at least ten years of credited service and is deemed to be permanently medically disqualified to be a firefighter to continue employment in a higher benefit formula upon retirement for the years of credited service as a firefighter.

Although the legislative committee reports state [*sic*] that firefighters who become medically disqualified due to a "service-related disability" should not have their retirement benefits penalized for assuming the risks of their jobs as firefighters, the bill only requires that the firefighter be "deemed permanently medically disqualified" to be a firefighter and does not require a "service-related disability." Consequently, a firefighter injured in a non-service-related accident, such as an off-duty automobile accident, and deemed to be permanently medically disqualified to be a firefighter, will be entitled under the bill to retain the higher benefit formula upon retirement. It appears that the bill will not correctly effectuate the legislature's intent.

For the foregoing reason, I am returning Senate Bill No. 3010 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

DEPARTMENTAL COMMUNICATIONS

The following departmental communications (Dept. Com. Nos. 27 through 29) were received by the Clerk and were placed on file:

Dept. Com. No. 27, from Stephen G. Karel, Dr. P.H., M.P.H., Interim Chief, Family Health Services Division of the Department of Health, transmitting their 2001 Primary Care Needs Assessment Databook.

Dept. Com. No. 28, from Marion M. Higa, State Auditor, transmitting their confidential draft report, Financial Audit of the Department of Public Safety.

Dept. Com. No. 29, from Marion M. Higa, State Auditor, transmitting their Follow-Up Study of the Hawaii Health Systems Corporation.

ORDER OF THE DAY

At this time, the Chair announced that Conf. Com. Rep. No. 48-02 and H.B. No. 1722, SD 1, CD 1, would be taken out of order.

Conf. Com. Rep. No. 48-02 and H.B. No. 1722, SD 1, CD 1:

Representative Souki offered the following floor amendment:

Section 1. House Bill No. 1722, SD 1, CD 1, is amended by amending section 3 to read as follows:

"SECTION 3. This Act shall take effect on June 29, 2002."

Representative Souki moved that the floor amendment to H.B. No. 1722, SD 1, CD 1, be adopted, seconded by Representative Espero.

The motion was put to vote by the Chair and carried, and the floor amendment to H.B. No. 1722, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," was adopted with Representatives Meyer, Takai, Takumi and Yoshinaga being excused.

The Chair then announced that consideration of H.B. No. 1722, SD 1, CD 2 would be scheduled for Thursday, May 2, 2002.

The Chair continued, stating:

"Are there any questions? At this time the Chair, in trying to expedite the session this morning and this afternoon, and maybe this evening, is asking that for those members who have floor amendments that they would like to propose, the Chair will entertain those floor amendments now so that we can all go back to our Caucuses to discuss it and move on with the Order of the Day."

Representative Hale rose and stated:

"Mr. Speaker, I am going to put forth a floor amendment."

The Chair responded, stating:

"All I need to know now is that you are going to propose a floor amendment, and then we are going to call a recess so that the members of the Majority Caucus and the Minority Caucus can discuss these floor amendments. I am posing to the members of this House that whatever floor amendments you have this morning, this afternoon or maybe this evening, we would like to address it now.

"So Representative Hale has one floor amendment. Representative Arakaki do you have a proposed floor amendment also for the members of this House?"

Representative Arakaki responded, stating:

"Yes, Mr. Speaker. In fact, I have two floor amendments on two separate bills. Thank you, Mr. Speaker."

The Chair then announced:

"Anyone else? Please. If there are no other floor amendments, and these are the only amendments we are going to entertain for the day, the Chair calls a recess for 15 minutes so that the members of the Minority and Majority Caucus will know what these floor amendments are all about."

At 10:29 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:22 o'clock p.m.

At this time, the Chair announced:

"Prior to the recess, I did mention to all of you that if there were any floor amendments, both Caucuses would get a copy of it. At this time there are proposed three floor amendments and two of them have been withdrawn at this point.

"One floor amendment by Representative Hale did not have any sponsor to introduce that floor amendment in the Senate. And another measure that was before Chair Kahikina for the Language Access Program, transferring it from the Attorney General to the Office of Community Services, that floor amendment did not have the required votes in the Senate also. So those two floor amendments will not be on our agenda this morning."

At this time, the Chair announced that Conf. Com. Rep. No. 97-02 and S.B. No. 2416, SD 2, HD 2, CD 1, would be taken out of order.

Conf. Com. Rep. No. 97-02 and S.B. No. 2416, SD 2, HD 2, CD 1:

Representative Arakaki offered the following floor amendment:

SECTION 1. Senate Bill No. 2416, SD 2, HD 2, CD 1, is amended by amending Section 1 to read as follows:

"SECTION 1. The legislature finds that people in Hawaii are living longer, due in large measure to the State's excellent health care. The legislature further finds that as they age, they incur concomitant chronic health diseases such as cancer, cardiovascular disease, and stroke, all of which necessitate intense daily care in the later years of life. As people age or become disabled, they need services to help them with activities of daily living. The approach to helping Hawaii's elderly and disabled should be prompted by compassion and caring, although the problem is inextricably one of economics. Medicaid, Medicare, long-term care insurance, and personal assets are insufficient or inaccessible to most individuals.

The legislature is enacting, through H.B. No. 2638, HD 2, SD 1, CD 1, of this 2002 regular session, the Long Term Care Financing Act. The Long Term Care Financing Act establishes the foundation for a universal and affordable system of providing long-term care, and a temporary board of trustees charged with the responsibility of designing a tax-based financing system. This Act is a companion measure, the purpose of which is to convene a summit to bring together private and public organizations to identify the types and quality of services, service delivery system, and service delivery policies for the long-term care system established in H.B. No. 2638, HD 2, SD 1, CD 1."

SECTION 2. Senate Bill No. 2416, SD 2, HD 2, CD 1, is amended by deleting Sections 2 and 3.

SECTION 3. Senate Bill No. 2416, SD 2, HD 2, CD 1, is amended by renumbering Section 4 to Section 2 and amending renumbered Section 2 to read as follows:

"SECTION 2. The Executive Office on Aging shall convene a long-term care summit to bring together private and public organizations, including State, county, and community organizations, to collaborate to identify the types and quality of

services, service delivery system, and service delivery policies to ensure the development of a comprehensive and affordable long-term care system for the State.

The Executive Office on Aging shall submit to the legislature a report of findings and recommendations no later than twenty days before the convening of the regular session of 2003."

SECTION 4. Senate Bill No. 2416, SD 2, HD 2, CD 1, is amended by renumbering Section 5 to Section 3 and amending renumbered Section 3 to read as follows:

"SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$40,000, or so much thereof as may be necessary for fiscal year 2002-2003, for a long-term care summit to be contracted by the Executive Office on Aging with a non-governmental public policy organization. The summit shall bring together business, labor, government, including state and county agencies, and community organizations, to work together to identify the types and quality of services, service delivery system, and service delivery policies to implement a comprehensive and affordable long-term care system for Hawaii.

The sum appropriated shall be expended by the Executive Office on Aging."

SECTION 5. Senate Bill No. 2416, SD 2, HD 2, CD 1, is amended by renumbering Section 6 to Section 4 and amending renumbered Section 4 to read as follows:

"SECTION 4. This Act shall take effect on July 1, 2002."

Representative Arakaki moved that the floor amendment to S.B. No. 2416, SD 2, HD 2, CD 1, be adopted, seconded by Representative Ahu Isa.

The motion was put to vote by the Chair and carried, and the floor amendment to S.B. No. 2416, SD 2, HD 2 CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT," was adopted with Representatives Abinsay, Kahikina, Luke, Takai, Takumi and Whalen being excused.

The Chair then announced that consideration of S.B. No. 2416, SD 2, HD 2, CD 2 would be scheduled for Thursday, May 2, 2002.

SUSPENSION OF RULES

Representative Lee moved that the rules of be suspended for the purpose of considering certain bills on Third Reading or Final Reading, seconded by Representative Djou.

Representative Thielen rose to ask:

"Yes, Mr. Speaker. Do I understand that by considering these by Consent Calendar there will not be any debate on these measures?"

The Chair responded, stating:

"There will be debate by page."

The motion was put to vote by the Chair and carried and the rules were suspended for the purpose of considering certain bills on Third Reading or Final Reading, with Representatives Luke, Morita, Takai, Takumi and Whalen being excused.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 165-02 and H.B. No. 1800, HD 1, SD 1, CD 1:

Representative Takamine moved that the report of the Committee be adopted and that H.B. No. 1800, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Kawakami.

Representative Takamine rose to speak in support of the measure, stating:

"Mr. Speaker, I stand in support of this measure.

"House Bill 1800 is the product of a process that began soon after September 11, 2001, when this nation was attacked by terrorists. The attacks triggered a worldwide economic meltdown -- and we are still feeling its effects today.

"Our first response was the Third Special Session of 2001, when we approved a number of emergency measures to secure the safety of our State and our citizens, and to alleviate the immediate pain and suffering caused by the attacks. With a bipartisan and bicameral spirit, this Legislature also implemented some rather creative plans to mitigate the negative consequences to our economy and start the process of recovery.

"Mr. Speaker, I believe that House Bill 1800, which is primarily a response to September 11, has its roots in the Third Special Session.

"Since then, your Finance Committee has dutifully and diligently evaluated all possible means to reorder our priorities and balance the State's budget.

"No suggestion was dismissed out of hand. Every potentially viable idea was given full consideration. The document before us reflects the reality of our situation and, in combination with other fiscal measures, provides us with a solution to our temporary fiscal condition.

"In addition to the \$20 million more in cuts, that this final reflects compared to the original house draft adopted in March, a four-bill approach was undertaken to balance the State financial plan.

"The most controversial of these bills is S.B. 706, CD 1, which transfers \$29 million to the general fund from the Hawaii Hurricane Relief Fund in order to provide for essential services that would otherwise be significantly reduced or deleted. Beyond providing essential financial support, this bill also outlines economic incentives to homeowners to reinforce their homes before the next hurricane.

"The second bill integral to the state financial plan is H.B. 2827, CD 1, which transfers \$140 million in excess funds from various non-general funds to the general fund. The final conference draft of this bill transferred \$40 million more than the original draft adopted by the House.

"The third bill is H.B. 2741, CD1, which raises the cigarette tax by one cent in 2003 and an additional half-cent in both 2004 and 2005. This will add another \$8 million in fiscal year 03.

"Finally, H.B. 1245, CD 1, transfers \$10 million from the "Rainy Day" Fund to the general fund specifically to provide for our health and public safety.

"Because of the magnitude of the economic impact of September 11, we have reduced appropriations. We had to deny many funding requests that in a normal year would have

gained approval. And we have had to cut services that we know are both popular and relied upon by many people.

"But in the end, Mr. Speaker, the priorities we chose reflect the very essence of our political principles.

"The Democrats' traditional compassion for those in need or for those who are suffering is made clear by the fact that this budget ensures that the basic social safety net remains intact. We are talking about the fundamentals of life, Mr. Speaker -- food and shelter.

"There are those here today who would say the fall in revenues provides an opportunity to slash State programs, to reduce the size of government. It is simply unacceptable for us to balance this budget on the backs of those who are suffering the most and who are least able to help themselves.

"In the first version of our budget, we cut \$63 million from the operating budget. The Senate returned a budget to us that cut \$73 million. And now before us, we have a budget that reduces expenditures by \$83 million.

"Mr. Speaker, that means we have had to cut expenses in other high priority areas simply to preserve the social safety net and to leave untouched certain funds, which have been deemed unavailable."

Representative Hamakawa rose to yield his time and the Chair "so ordered."

Representative Takamine continued, stating:

"Thank you very much. But to preserve and maintain that safety net for the longer-term we must have a viable economy. And so we arrive at our second priority -- economic revitalization.

"There are those who claim this budget fails to provide for the economy. That is a myopic view by those who, for whatever reasons, ignore what has come before.

"For the past four years, this Legislature has embarked on a long-term plan dedicated to government reform and efficiency. We implemented the largest single tax cut in history -- a \$759 million dollar reduction in personal income taxes. The final phase commenced this year.

"In addition, we implemented the de-pyramiding of the general excise tax on business services.

"To balance this budget we could have exercised the option of deferring those tax cuts, as is being done in many other states, Mr. Speaker. But we chose not to. I would argue that those two major tax reforms kept more money circulating in our economy and helped mitigate the impact of September 11th.

"We passed an omnibus high technology measure that is regarded as one of the ten best incentive packages in the country. This effort is beginning to bear fruit and will help us diversify our economy. During the Third Special Session, we approved financing for a new School of Medicine at the University of Hawaii, in part, to be the infrastructure for our biotechnology industry.

"We have laid the foundation for a fruitful and diversified economy -- and despite the hardship inflicted by 9-11, we have not forsaken that foundation. Though these economic diversification initiatives are showing great promise, they do not yet have the capacity to provide us with the help we need now.

"That is why this budget focuses on two proven industries -- tourism and construction -- to give us the economic impetus we need today.

"More than ever, we need tourism dollars. That is why we essentially protected funding for the Hawaii Tourism Authority so it can continue intense marketing efforts to attract visitors. We further strengthened the Authority by giving it the responsibility to manage and market the Hawaii Convention Center.

"We are also, extending tax credits for hotel renovation and construction -- an outgrowth again of the Third Special Session; and expanding the concept to include commercial construction and renovation.

"Through H.B. 1800, we are authorizing \$245 million in general obligation bonds for repair and maintenance of our public schools, plus an additional \$60 million for similar work at the University of Hawaii.

"These policy choices not only translate to jobs and the strengthening of our economy, but also continues commitment our to invest in our public education system.

"And keep in mind, Mr. Speaker, our decision to proceed with the new UH Medical School.

"These are not random, shots in the dark. They represent a clear strategy to revitalize our economy for the immediate future through tourism and construction, and for the longer term through economic diversification.

"So again to those who would say we are doing nothing for the economy, please look again at the larger picture.

"Other CIP appropriations, although smaller in scope, still reflect our effort to strengthen existing industries and help diversification. For instance, there is \$14.5 million appropriation for agriculture water development on Maui and the Big Island, and another \$2 million for similar efforts statewide.

"We are appropriating \$7.3 million for the Hawaii Film Studio at Diamond Head to induce more television and movie production. There is \$8.6 million appropriation approved for the UH Institute of Astronomy to develop the Advanced Research Center in Kula, Maui.

"We are also building infrastructure like \$1.2 million for the Hawaiian microwave system; \$175 million for airport improvements statewide; \$18 million for harbor improvements that could help expand our cruise ship business; and \$131 million for highway improvements."

Representative Nakasone rose to yield his time and the Chair "so ordered."

Representative Takamine continued, stating:

"Thank you very much. Not only are many of these projects needed by our citizens, they will generate work for our construction industry and when completed, enhance our visitors' experience.

"If we look carefully at the budget, we will see how these expenditures and investments are tied to the larger picture.

"Mr. Speaker, I must also address the issue of government growth. I appreciate that it is politically popular to say government is growing and we need to make cuts.

"But again, this reflects a basic lack of understanding of the budget and frankly, is dishonest.

"The amount appropriated last Session for fiscal year 2002-2003, was \$3.63 billion. This budget cuts that by \$83 million, to \$3.54 billion.

"There are those who would attempt to misguide the public by saying this budget exceeds the current year. But that is comparing apples to oranges and does not hold water. For example, fixed costs in one fiscal year cannot simply be duplicated in a subsequent year because very often, those costs increase as the years go by. And that is the case here.

"Mr. Speaker, if we're going to have meaningful debate about the budget let's compare apples with apples.

"General fund fixed cost increases - increases of \$80 million from fiscal year 2002 to fiscal year 2003 include:

\$45.7 million for the Employee's Retirement System;

\$19.7 million for Public Employee's Health Fund; and

\$15.2 million for Debt Service.

"Other critical cost increases include items to meet the need for health care services in rural areas, court mandated services, and other priority items:

\$12 million for the Hawaii Health Systems Corporation;

\$6 million for Charter Schools;

\$3.5 million for Healthy Start;

\$3.2 million for additional out-of-state prison beds;

\$2.7 million for Child Placement Board and Related Costs;

\$2.2 million for Adult and Child Mental Health Services;

\$1.6 million to assist the counties to provide Emergency Medical Services; and

\$1 million for multi-tracking of four schools;

"A better measurement in that respect would be to look at the employee count. H.B. 1800 calls for the elimination of 287 general funded positions and the reduction from Act 259 of \$83 million for fiscal year 2003.

"As I said earlier, I would like nothing better than to stand here today and present a budget that fully funds all of our core programs, pays all of our bills, satisfies every court mandate, and invests heavily in the future.

"But I cannot do that. I must remain grounded in reality. We have a \$315 million shortfall and no amount of rhetoric is going to change that.

"The bottom line is that H.B. 1800 cuts spending dramatically and in many cases, painfully. We have foreclosed certain options that are available to us, and so we must make the necessary cuts.

"We are not 'cherry-picking' these cuts, Mr. Speaker, for until we have an objective and detailed assessment of every program and service, we must rely on the people closest to the issues to identify the cuts. For the moment, those are the departments

and agencies that are on the front lines, providing the services that people demand.

"But there's no question that many of these cuts are actions I personally do not want to take. For example, education, which is at the top, the very top of our priorities, is nevertheless facing serious program cuts. Among them are:

Eliminating funds for the Computer Education Program. Mr. Speaker, we eliminate \$3.6 million for this program even though we regard this program as a critical door to the future, and to our children's future;

We reduced funds for Summer School, a reduction of \$1.1 million, Mr. Speaker, despite the impact that it will have;

We reduced funds for the A+ After School Program, a reduction of \$3.45 million, Mr. Speaker, though for many families we know this support is essential."

Representative Kanoho rose to yield his time and the Chair "so ordered."

Representative Takamine continued, stating:

"Thank you very much.

"We reduced funds for Curriculum Development by \$2.9 million, Mr. Speaker, though we know so clearly that this will impact on the quality of education for all our public school students;

We reduced general education teaching positions by \$2.4 million;

We reduced special education teaching positions by \$2 million;

We reduced funds for classroom instructional materials by \$1 million.

"And though we always try to help the most vulnerable in our community, we reduced funds for Assistance to the Aged, Blind and Disabled by \$1.7 million. We reduced the General Assistance block grant program by \$1 million. And we reduced for pre-school teacher scholarships.

"And as important a program as it is, we reduced funds for the counties' Career Criminal and Victim Assistance Programs.

"We further reduced funding for things like extra beds at the federal detention center, the Wildlife Revolving Fund, and so on.

"Mr. Speaker, House Bill 1800 represents fiscal restraint and social responsibility in meeting our most critical needs, protecting the most valuable public services, and a refusal to place the burden for our current financial problems on future generations.

"But let's be clear, Mr. Speaker. We are not yet out of the woods, in spite of any economic forecasts to the contrary.

"There are some signs of recovery on the national level. And though Hawaii's Council on Revenues predicts growth of minus .7 percent this year, it predicts an average of 5 percent growth in each of the subsequent six years.

"Although it seems clear that our current situation is an anomaly, we must deal with our shortfall while creating the least possible long-term harm. And we need not, in fact we

must not, abandon our long-term commitment to structural reform and economic diversification.

"Mr. Speaker H.B. 1800 was not created in a vacuum. In the larger view, this bill addresses our immediate and critical needs, our fixed costs, and maintains essential core services.

"It does not compromise past legislation that reforms and reorders State government priorities. It upholds the tax deferrals for businesses we adopted in the Third Special Session, which resulted in \$17 million in savings for more than 48,000 local businesses.

"It does not offset current legislation, which would provide further income tax relief for individuals and businesses, allowing even more cash to circulate in our recovering economy.

"It does require us to tighten our belts and live within resources available. It does demand our best effort to seek creative solutions that do not undermine basic protections for our citizens.

"And it does afford us time for an initiative like House Bill 2840 to take root. This is a measure that would establish a mechanism – a commission -- to conduct the difficult task of classifying core government functions and programs. This long-term planning tool would enable us to streamline government services and redistribute government resources in a manner that makes good sense and good policy.

"This is the opposite of a 'slash-and-burn' approach to reduce government that sometimes finds its way into this Chamber.

"To reiterate Mr. Speaker, House Bill 1800 is a budget that has its base in reality and reflects the natural compromise that is an integral part of our legislative process.

"With the combination of spending cuts, use of special and revolving funds, and modest increases in selected taxes and fees, we are able to retain the most essential services for the people, without slashing programs, and without mortgaging the future of our children and our grandchildren.

"I ask my colleagues to join me in supporting this measure.

"Thank you, Mr. Speaker."

At 11:46 o'clock a.m., Representative Garcia requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:51 o'clock a.m.

Representative Fox rose to speak in opposition to the measure, stating:

"I just want to talk about a few facts in relation to the budget. We have a budget that continues to maintain a government that is too large for the economy that supports it.

"Now you heard the previous speaker discuss cuts in the budget. Actually if you look at the operating budget as opposed to the general fund, the cuts are very limited, \$44 million. And if you look at that in relation to the \$315 million that we were looking for to close the gap in the budget, that is one-seventh of that total gap. So six-sevenths of the gap was closed by finding other revenue, and one-seventh was closed by actually doing cuts. I think that puts it into perspective. We are still maintaining our very large government and the chief device that was used for closing the gap, which the previous

speaker referred to as the four-bill approach, I would call three raids and a tax.

"That is basically what the four-bill approach is: three raids, three one-time raids of pools of money that we can use, temporarily, just this year to keep things going. That money is not going to be there next year. And a new tax, which is the last thing that Hawaii needs at this stage. We are already the third highest tax state in the country and it is hurting our business climate.

"We had recommended repeatedly and with great urgency that we reduce the number of vacant positions, and we identified 5,000 vacant positions for a total of a \$100 million and that does not include savings that we would realize from the benefits that go along with those salaries. Now in the budget statement we find the words that the Conference Committee believes that the elimination of 'government positions' will only exacerbate our economic situation. Mr. Speaker, the point is not to eliminate warm bodies. That we agree. No warm bodies should go. But eliminating government positions, positions that aren't occupied by anybody is the best possible way to downsize government in the face of the problem that we face.

"Now let me just go to some of the basic facts just to remind people of where we are. We are dealing with a budget that is 16% larger than it was at the end of fiscal year 2001. That is where we are going to be at the end of fiscal year 2003, a 16% gain. Over the last four years, we would have added 2,000 people to the rosters of State government. Growth in the budget, growth in personnel. At the same time I would like to point out that over the period 1992 to 2002, the private sector lost .7% of the positions that it had. In that very same period, government employment grew by 11.5%.

"There is no question that we've had a long presentation this morning on the need to maintain big government in the face of a declining economic situation. Now also in this same presentation on the budget that we have before us today in connection with H.B. 1800, we have a discussion about how great things were in 2000. Now I've referred to this before but I'd just like to remind you Mr. Speaker, that in 2000 Hawaii had the second lowest growth rate of any state in the United States. Our growth rate was less than a third the growth rate of Maryland. The only state that we beat was Louisiana. And yet this recitation that we have here brags about how well Hawaii was doing in 2000. Yes, 2000 was better than 2001. Yes, it was better than where we are right now in 2002, but we are not doing well in Hawaii.

"The need is to I think, bring government in line with the economy that supports it. And I would just like to put it in two ways. First, is big government continuing to drag our economy downward? The answer I would give is, yes. Second, do we need to help Hawaii by at least slowing the growth in government? The answer I would give is, yes. I think for those reasons we ought to be opposed to this budget. Thank you, Mr. Speaker."

Representative Kawakami rose to speak in support of the measure, stating:

"Mr. Speaker, I also rise in strong support of H.B. 1800, CD 1. We have moved from that day of reckoning to a proactive stance to provide a responsible, caring budget which is realistic and pinpoints a comprehensive array of 'must fund' services and programs to keep our economy viable and meeting the essence of our vulnerable populations, namely, our children and youth, our aged, our disabled and to sum it up - our precious resource, all the people of our State of Hawaii.

"Chair Takamine has eloquently described the painful process we had to go through to meet the needs of our people. We tried to ensure that our spending limits were observed and that we exercised sound fiscal responsibility. This we did in proffering this budget today.

"Yes, budget cuts were made. However, they were made with much consideration to what we want for the future of Hawaii. We all claim to want an educational system that is second to none, and we all agree that the Hawaii's future lies in our children. Therefore, as we crafted this part of the budget, we kept in mind the priority status of education in the totality of the budget. One of the fundamentals of education is the quality of the classrooms for our children, and we have authorized general obligation bonds to address repair and maintenance for all of our schools.

"Mr. Speaker, in light of the many, many difficulties faced by your Finance Committee, we negotiated a final product that we can be proud of. It makes the necessary cuts while considering the future of our citizens and our State. It is a budget that addresses our fundamental responsibilities as leaders of the State of Hawaii in a time of extreme financial hardships. I take this means to thank Chair Takamine for his steadfast leadership at the helm of this budget, the supportive Finance Committee members, the fine minds of our Finance staff and analysts and above all, our Speaker of the House for his foresight, willingness to perceive and think positively in providing leadership to our committee, and finally, your leadership team who were most supportive of our work. *Mahalo* to you all.

"Mr. Speaker, I say our budget is a 'diamond.' It is the product of months of immense pressure, beginning with the events of September 11th, and just as pressure produces a diamond from coal, the pressures of a \$315 million budget shortfall have produced this budget that we can be proud of."

Representative Moses rose to speak in support of the measure with reservations, stating:

"My reservations go to several issues. First of all, I grant that a lot of hard work went into this, and I am grateful to hear that our suggestions provided by this side of the aisle were not rejected out of hand. Nonetheless, they were rejected.

"We've heard that the other party is concerned about the people of Hawaii. Well, Republicans are too. We care very much about all the people of Hawaii. The needy, the disabled, the young, the old, the sick, those who need the help from us the most, and therefore I am saying it again. Why can't we eliminate the tax on food, medical services, and residential rent? These are the essential basics that the people need. Why can't we give them those breaks? And I can hear about all the money we'll lose. But this is essential for the people so if we really cared about the people, we should be able to do that.

"My other reservations are while there are core and essential things that are in the budget, and I think we need to provide those services, again, and this was addressed by the Finance Chair, we are going to study what those core and essential projects and programs are. And we need to do that because how can we sit down and say we have to have this and we have to have that if we don't know? So we need to find out what are the core and essential programs and then we can eliminate those that we cannot pay for when the time comes that we see we are just lacking money, like this year. And it will be less subjective and more objective at that point.

"Again, I am grateful for some of the things that we do have in the budget. I am sorry that we had to do some of the things that we did to get there. But again, I have to emphasize we

have provided what we consider legitimate options several times during this Session, and we never heard that any one of them was accepted. Yet it appears that some of them might have been. It would be nice to know that we are on the right track sometimes.

"We are trying to work together, we are trying to actually balance our budget in a constructive way, but we don't ever get any feedback, except for well, that's kind of something we can't do. I won't use all the words that we've heard, all the words that we heard in Committee. But it makes us feel like everything is rejected just because it comes from this side of the aisle. And I am sure that is not the case, or at least it shouldn't be. So with that Mr. Speaker, I'll end my diatribe."

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I will be brief. I'd just like to make three quick comments to explain my opposition to this budget.

"First, Mr. Speaker. I am rising in opposition because I believe this budget was crafted and made to balance basically, with 'smoke and mirrors.' The 'smoke' comes in the form of the use of a lot of one-time raids on special funds, in particular the Hawaii Hurricane Relief Fund and the 'Rainy Day' Fund.

"Second, Mr. Speaker. This budget, following the fact that this is a 'smoke and mirrors' budget, we are using tax increases to make this budget work. The use of these one-time funds and the tax increases are not long-term structural fixes. They're just used to get us by for this year. That brings me to my second point, that this year's budget is just a quick fix. We had an opportunity, a very good opportunity that was presented to us this past year to make some real structural long-term changes in the way Hawaii State government operates. I believe we have missed the opportunity in this budget.

"And third and finally Mr. Speaker, I am very disappointed that I don't believe that there is real economic stimulus contained in our economic package. I understand that a number of members believe that in past years we have produced some tax cuts and various measures to assist the small business community and our entrepreneurs. But the bottom line is that for this year, for this economy, there is nothing for the entrepreneurs and for the taxpayers of this State. We need economic relief now and this budget is not providing it. And for these reasons, because I believe that it is a budget balanced on 'smoke and mirrors,' because I believe we have missed a wonderful opportunity to reform our government, and because I believe there is not any real economic stimulus contained in this measure, I am voting in opposition. Thank you."

Representative Ito rose to speak in support of the measure, stating:

"Mr. Speaker, I would like to thank the Chair, the Vice Chair and members of the Finance Committee and the hard working Finance staff for their tireless work. Through their efforts, we have a budget before us which maintains the core programs of the public school system in spite of the economic straits of the State, and also adds additional resources to respond to our growing needs.

"Mr. Speaker much has been made this Session of proposed cuts to the DOE as part of the percentage reductions in all departments. Our office has received numerous inquiries about the cuts to multi-track schooling, English as a Second Language and the Hawaiian Immersion Language programs, the Gifted and Talented program, Parent Community Networking Centers and the current student-to-teacher ratio in

grades K-12. It is heartening to note that this budget bill indeed does not cut these programs. Cut have been made however, such as the Felix Court Monitor's Office – but this reflects our growing ability to contain Felix related costs and achieve compliance with the consent decree. I'm sure we can all agree that it's about time.

"There are several other reductions which are well-intended and rational because they are not cutting direct services to our students. A total of \$3,034,262 is being reduced for vacancy savings. An additional \$4,485,444 for 155 general and special education teacher positions being reduced due to decreased enrollment projections.

"Mr. Speaker, one key issue which the Education Committee has been struggling with this Session is the funding of charter schools. This budget includes funds to correspond with the Auditor's revised methodology, to a sum of \$6,086,852 for 23 schools. I am particularly pleased that a separate amount is being budgeted here so as to decrease the competition between charter schools and DOE schools for the same resources.

"Resources have also been included in this supplementary budget bill, which respond to our expanding needs. For instance, 15 positions and almost \$990,000 are included for multi-track schooling at Mililani Middle, Holomua Elementary, and Kapolei Elementary and Middle Schools. And \$700,000 is included for new facility costs at various elementary schools.

"It is also the purview of the education budget to include public libraries. I am proud to announce that we will finally be able to provide the funds and positions to open and operate the new Kapolei Library, with 5 positions and more than a quarter of a million dollars.

"Mr. Speaker, another issue which has generated much controversy this Session is the question of health benefits for our public school teachers. Mr. Speaker and members, let me call to your attention an increase of \$3,295,139 in this bill for employee health premiums. I hope this indicates to all here that the State's commitment to the health of our teachers is unwavering and continuous.

"Mr. Speaker, I believe that what we have here today is a fair and balanced budget for the Department of Education, which holds us to our core goals of providing the best learning environment for the children of Hawaii. Thank you, Mr. Speaker."

Representative Case rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. First of all I rise in opposition for the same reasons as expressed in my speech in opposition to this bill on March 20th and ask that my remarks there be reprinted in their entirety here," and the Chair "so ordered."

Representative Case continued, stating:

"I also want to say at the very beginning that I don't rise against this budget with any pleasure. I rise against this budget knowing that there are many good programs, many programs that are core, many programs that should continue, many programs that I support and that should be funded. And so I cannot stand here and oppose all of them.

"But as I said on March 20th, when a budget goes in such a clear policy direction, makes such a clear policy choice, that I believe is so wrong, I have to stand in opposition to the entire measure. And I have to say, with no animosity and nothing personal to anybody that stands in support of this budget, that I am not proud of this budget. I am ashamed of this budget,

because I believe that this budget represents a failure of leadership and a failure to deal with reality.

"There has been much made about reality, but here is the reality. Expenses of government, the cost of government is increasing faster than the ability of our economy to support it. That occurred before September 11th, it occurred because of September 11th, and it is going to occur after September 11th, unless and until we do something about it.

"I view this budget as having been the easiest, most short-term, least painful approach that we can all do now. And I think that is a failure of leadership because I think our basic problem is, as articulated by others who have stated, that the budget is 'out of whack' with the ability of our economy to sustain it.

"Now let's look at exactly what we've done very briefly. We've balanced this budget not by restricting the cost of government. All we did was to reduce the growth in government. We didn't reduce government. We simply reduced the extrapolation, the growth of government.

"We didn't do it because we thought revenues were going up. Anybody who believes that our economy is going to grow by 5% per year for the next 6 years: I hope that happens but I don't believe it. Even if we turn to right now, with true economic revitalization, it will be awhile before we can see those growth rates. So what we are dealing with here is a necessity of balancing a budget with that reality over time.

"Now how did we do it? All we really did was borrow ourselves a few months. Yes, we didn't take money out of the Hurricane Relief Fund, but we took all of the interest. Not only that. We took interest in future years, so that corpus is not going to grow against the next disaster.

"We took money out of special funds, \$120 million. That is gone. That is history. It is not coming back. The next Governor and the next Legislature will not have that option.

"And, by the way, talking about increasing taxes: what do you think is going to happen to the functions that those special funds funded? It is no different from taking money out of the sewer fund at the City level. Sometime, somewhere, you've got to 'pay the piper.' So members, next year, what are you going to do when the proposal comes in, as it must, to increase fees, to generate revenues, to pay for those special funds?

"We took money out of the Employees Retirement System. We didn't raid it. We didn't postpone it for another year, another two years. But guess what? We re-amortized the full retirement of the principal. We stretched it out. That is a failure to take care of the next generation. That saves us money now. But it gets paid down the road. All we did was a short-term fix. That is not the right thing to do.

"If you want government to be this big, raise taxes. That is what Speaker Emeritus has been saying all of these years. I disagree with that, but that is the honest approach.

"If you believe, as I do, that you have to start with the economy, if you believe as I do, that the link between economic vitality and the ability to afford government is there and cannot be broken, it is reality. You have to start there. You have to start with controlling the cost of government. Be honest. Find a way to reduce the cost of government. But don't take the middle ground, the easy way out.

"So I am going to close by saying I am going to leave a little time capsule to the next Governor who is going to take office in eight months faced with a budget dilemma much worse than the

current Governor had in 1994, to those who will be continuing in the Legislature in nine months, facing a budget crisis much worse than anything we have seen in the last ten years. We know it. I am sorry we have left you with this mess. Good luck. Thank you."

Representative Case's remarks given on this measure on March 20, 2002 are as follows:

"I rise in opposition to this measure.

"First of all, yesterday, a colleague who I respect greatly whispered to me, 'You know, Ed, a vote against the budget is a vote against every State program in it.' I certainly understand that. I've heard that before and I understand that it is part of the legislative culture, perhaps a time-honored reason for a yes vote on a big budget bill like this, but I simply decline to live in that particular box. This budget bill has obviously many good, necessary programs that I do support. I also support some of the overall policy judgments in the bill: for example, the judgment to limit capital improvement spending. I think that is good.

"But where, in the big picture, in the overall approach, in the overall impact, a budget so clearly, in my mind, avoids, at the clear expense of our successors, the people that are going to have to make decisions after us, our basic responsibility to preserve the long-range physical stability of the State, I simply have to stand and oppose it, and say, 'Let's go back to the drawing board and do it right.' We can't simply dump today's challenges off on tomorrow.

"Now we've already heard a lot here today in some very good speeches about reality, and perhaps all we are really learning is that each of us has a little bit different reality depending on what our starting point is and where we are trying to go. So let me say what my starting point and end point are.

"My goal is a sustainable state government that can provide the core services that we've heard so much heartfelt feeling about over time. So, in that context, let's take a look at the reality, in my mind, that we do face, and I would challenge anybody to deny, as well as the practical options available -- the options that we are choosing in this bill and in the package of bills that we have sent out of this Legislature, and why the option we have chosen in this bill is the worst choice.

"Our initial two-year executive budget bill, which we passed last year over my reservations, did substantially increase state spending for the 2001-03 fiscal biennium, which we are in the middle of right now. And we did that by relying upon, and indeed maxing-out on, Council on Revenue projections of revenue growth of over 11% for the current fiscal biennium.

"Now I think we knew very well then that those revenue projections were optimistic. And I think we also knew very well then that we would in fact see higher expenses in the biennium than we funded last year. So in some ways, we knew very well a year ago that our two-year budget was dangerously close to unbalanced even as we passed it; that, as I said in a speech on this floor on May 1st of last year, 'A single hiccup on the national or international horizon will drive this budget out of whack in no time.'

"Even worse, we knew then that in the out years, the next fiscal biennium beginning July 1 of next year, which is now just 15 months away, and beyond, we faced even greater fiscal stability challenges. Then, in those out years, the Council of Revenues was predicting continued revenue

growth of over 5% per year. We could certainly foresee unchecked expenses increasing in excess of that, and that was even before accounting for the next round of public employee pay raises and collective bargaining, which the unions would also want to have an effective date for any raise which is just 15 months away.

"The economic impact of September 11th was most severe, leaving the Council to downgrade its revenue projections by amounts totaling over \$300 million over two years, and contributing greatly but not exclusively to the situation that we face today. But let's be very clear that it also exacerbated the fiscal dilemma of the out years, now just 15 months away. Because although the Council of Revenues has since retained its 5% growth projections for those out years, the base upon which that 5% rests is reduced. So even if those gross projections prove out, we will in fact have less total revenues in the out years than anticipated.

"And to worsen the situation, the financial plan implemented by this and other bills which we have passed out provide for a carryover balance at the end of the current fiscal biennium, on July 1, 2003, of only about a \$100 million. That is all we are taking into those out years in reserve. That is very low from the bond rating agency's perspective.

"Now these are our practical options. The first is to control costs and to adjust them to realistically projected revenues. The second is raise to taxes on a permanent basis.

"The third is to fund the current shortfall through one-time transfers of special funds to maintain the level of general fund expenses that we want.

"Now let's be very honest to everybody out there. We have in this bill and the financial plan it implements, and the other bills that we have passed out that are part of this package, regardless of what we say, clearly elected the third option. We have transferred out of the HHRF and other special funds over \$200 million. The rest of our actions are mostly piecemeal, also on a one-time basis.

"This is clearly the worse choice we could make because it fundamentally avoids our responsibility to assure long-range fiscal stability. Once used, these funds are history. So what we are essentially saying is that we are just going to worry about the next 15 months. We are knowingly handing off to our successors a terrible situation for the years to come with higher expenses, lower revenues, and even fewer options. But hey, that is their job, not ours.

"Even the second option to raise taxes, which I do oppose as counterproductive, but at least is more honest, is more direct than the option that we have chosen. Clearly the best option from the viewpoint of overall responsibility to assure long-range stability and restore some equilibrium between government expenses and the ability of our economy to sustain them is to control costs and adjust them now to realistically projected revenues now and for the foreseeable future.

"Contrary to the carefully crafted speeches of the Finance Chair and others, and frankly the carefully orchestrated presentations to the Legislature and the public, and the careful framing of the questions asked, there are in fact plenty of options. We've heard many of them here today ranging from attrition to vacant position elimination, salary reductions and, yes, program and position reductions or elimination. What is missing is the will, not the ability, to do what is right. What is missing is facing up to this basic

question: how do we sustain this high-cost government over time?

"Mr. Speaker, I would like to close with this quote, and I am going to quote a section out of our own *House Journal*:

At no time in the history of this State has there existed a more urgent reason to bring about meaningful fiscal reform to the state budgetary process than at the present. Gone is the decade of the budgetary surplus and unfettered state government expansion; so too are the years of legislative complacency over the State's economic future.... The lackluster earnings of the State over the past several years reflect persistent and on-going weakness in Hawaii's economy....

In its approach to the development of this budget, your Committee turned a critical eye towards rectifying some of the underlying reasons for government inefficiency in Hawaii, including, but not limited to, the rate of government expansion and the increase in program spending over the past several years. Your Committee is committed to the development of a zero-growth budget that takes the necessary steps to avert drastic funding reductions that will become necessary if the Legislature fails to take action to restore discipline and accountability to the state budgetary process.

Your Committee subscribes to the widely-held belief that meaningful fiscal reform will not occur in the state budgetary process until changes are brought about by clear and decisive actions of the Legislature. The changes imposed upon executive agencies under this budget will not be painless. A piecemeal approach to budgetary reform will not achieve the type of results sought by your Committee. While arbitrary cuts have been avoided, your Committee has called for spending reductions within the budgets of each branch of state government.... The development of a leaner, more responsive state government serving the needs of the public from a foundation of less resources is the ultimate objective of your Committee. Your Committee believes that ... [these] objectives can only be obtained by:

- 1) Downsizing and right-sizing programs and operations wherever possible;
- 2) Consolidating duplicative and overlapping functions and services whenever warranted; and
- 3) Eliminating ineffective and nonessential programs, services, and operations as necessary.

House Journal 1995

"Clearly a comparable, even worse situation, but certainly a different mindset reflected in that Committee Report versus this Committee Report, which we are asked to support today. And did you recognize that? It was your Conference Committee Report for the fiscal biennium budget for the budget years 1995-97.

"Mr. Speaker, there is still time this session for us to fulfill our responsibility, not only to this year, but future years. But not if we continue down what I view as an irresponsible path, and I cannot support this measure on that basis. Thank you."

Representative Garcia rose to speak in support of the measure, stating:

"Mr. Speaker, I want to restrict my remarks to those measures that are of interest and concern to your Committee on Public Safety and Military Affairs.

"With respect to capital improvement projects, the budget funds overdue infrastructure and fire safety needs at our State's prisons. With our correctional facilities filled to over capacity, the infrastructure has been placed under great stress. The budget also begins the process of transitional housing and treatment for offenders throughout the State.

"Numerous civil defense projects are also funded and although they are not very flashy, help to ensure our safety during an emergency.

"For veterans on the Big Island, a combined veteran's center has received a grant-in-aid to proceed. I am especially grateful for this grant, as the center has been in my thoughts ever since a staff member who has since passed away, pursued this project in earnest while employed on my staff last year.

"Moving away from the CIP items, the budget also provides funds to address additional needs for sex offender treatment and for civil defense programs related to homeland security. I note the amount appropriated to pay for mainland and federal inmate transfers is enough to pay for these transfers to continue.

"On the whole Mr. Speaker, I recognize that the funding decisions made are never easy. I acknowledge and support the efforts of those involved in creating the budget before us today, especially to your good Chairman of the Finance Committee and the members of that entity. I urge my colleagues to support this measure. Thank you, Mr. Speaker."

At 12:15 o'clock p.m., Representative Morita requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:17 o'clock p.m.

Representative Halford rose to speak in opposition to the measure, stating:

"Thank you Mr. Speaker. I am rising in opposition to this \$7.4 billion dollar budget, and I wanted to emphasize that because of previous numbers that have been used so far, I think just referred to, the general fund budget around \$3.5 billion, which is less than half of H.B. 1800 or the Executive budget or our State budget. I just wanted to make that clear, that we haven't discussed the whole number yet, and I wanted to introduce that.

"Mr. Speaker, I am opposed to this budget for many more reasons than we would care to take time here to discuss. So please, let me just bring up just a few of the reasons.

"Mr. Speaker in regards to the Hawaii Hurricane Relief Fund, many of us in both the Senate and the House overwhelming numbers of us, promised not to touch the Hurricane Fund and we've gone against our word to the public in this regard, in taking the funds from that.

"Another reason I am opposed to this budget is that part of its foundation, an important part of its foundation, is our general excise tax which includes tax on food, tax on medical services. Mr. Speaker as you recall in 1995 we had the largest tax increase in the history of the State of Hawaii when we eliminated tax credits on food and medical services. Part of this budget is founded based on the, in my view, unusual tax on the most fragile members of our community. As you know Mr. Speaker the general excise tax on food and medical service is regressive and more harshly applied to the most fragile people of our community. This budget relies on those funds in order

to balance, and I think that it is generally a mistake for the State to take that direction. We've been relying on this for seven to eight years now.

"The third issue, and perhaps since I didn't sit on the Committee I might have missed this and perhaps I could get a clarification. Mr. Speaker, as you know, an important part of our workforce, substitute teachers who are a very important component of our education community, have had their pay set in statute. Statute defines what they should be paid and because of changes in teachers' salary, so has the amount we owe to substitute teachers. Mr. Speaker as far as I know, we have not paid the substitute teachers since August or September, the increased amount that's owed to them. And I was I looking in the budget to see where we will pay them. Mr. Speaker, this issue has been discussed in this Legislature for the last several months and yet I didn't see in the budget where they are being funded as per statute, and I would like to ask the Chairman of the money committee if he would point out to me where that funding exists."

At 12:22 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:25 o'clock p.m.

The Chair recognized Representative Halford who stated:

"Thank you, Mr. Speaker. It would be good if the answer would be provided on the record so let me say what was the answer that I got. This budget did not consider the increase in pay due to the substitute teachers as set in statute. So the answer I got was that no additional funds were considered in this budget to pay the money owed in retrospect, that is before today. Since over the last few months, and there is no money, it was not considered to put money in this budget for future pay that we owe, as defined in statute. Thank you, Mr. Speaker."

The Chair added, stating:

"Representative Halford, maybe a better word to use instead of 'considered' was that no supplemental request by the Department was made. How is that? From the DOE to the Legislature. The budget submitted to you as their supplemental budget. A case in point would be the request for the Kapolei multi-track and Mililani multi-track. In that budget request, there was no supplemental budget request by the DOE for substitute teachers."

Representative Halford: "The DOE didn't ask for the additional funds?"

Speaker Say: "No request for the additional funds. Correct."

Representative Halford: "And it is not provided because we did not ask them?"

Speaker Say: "Because of the budget crisis that we are in. Yes."

Representative Halford: "For my final point Mr. Speaker, and I believe the largest point is the increase in what we are spending. The costs in 1995, Governor Waihee's last year of the budget, fiscal year '95 was \$5.3 billion dollars."

Representative Leong rose to yield her time, and the Chair "so ordered."

Representative Halford continued, stating:

"Thank you Representative. Governor Waihee's last year of his budget, \$5.3 billion dollars. At the end of this Governor's budget, this budget we are passing, this supplemental budget we are passing now is \$7.4 billion dollars. Mr. Speaker, this is an increase approaching 40% in dollars spent. Mr. Speaker, this increase represents a growth that is faster than the growth in the domestic product, the growth in real wages, the growth in inflation, or any reasonable economic measure that might be applied. The amount that we're spending, increasingly every year, is phenomenal and damaging, I believe, to the economy to the State of Hawaii.

"Additionally Mr. Speaker, our Governor has been claiming publicly, stating that he has cut government or that government hasn't grown under his Administration. And in fact Mr. Speaker, we really don't know if the State of Hawaii is providing any more services in 2002 or the year 2003, than we did in the year 1995. We do not make a practice in this State to measure our performance or to measure output to understand what the outcomes are. And the Governor may be very correct, that he has not caused the delivery of goods and services to grow in the State of Hawaii. If that is true, we find ourselves today spending nearly 40% more for those services than we were not so long ago.

"Mr. Speaker, the way we deal with finances in Hawaii, in our State government, seriously lacks accountability and measurement and understanding and any, in my view, any real thoughtfulness. Mr. Speaker, those are a few of the reasons that I am voting no on this measure."

Representative Takamine rose to respond, stating:

"Mr. Speaker, I rise in support of the measure and just in short rebuttal.

"Mr. Speaker, I can understand the temptation for many of us to use numbers and to spin them. And that is not limited to any side of the aisle. I think when numbers, I guess given the best of intentions, you can say that the consequences of that is to mislead. Given the worse of intentions, then it is to deceive. And therefore just for the record Mr. Speaker, because a previous speaker did talk about it. Since 1995 to the current year, the percentage of growth. You know, sometimes it's important to understand the mechanics of the budget, because many times we have interdepartmental transfers that appear to inflate the total numbers. Yet it is a net zero, because it is from one department to the other. And if you recall, when we wanted to show the full impact of the percentage of expenditures, including fixed costs to the DOE, to the University of Hawaii, those transfers were all substantial numbers given the budget.

"Since 1995 to the present, in all means of financing, in all means of financing, it is not 40%. It is as 26% increase. It is important for us to focus in on what we have most control over and that is the general funds. When you look at the general funds Mr. Speaker, from 1995 to the current year, the increase has been 15%. So just to keep the record straight. Thank you."

Representative Abinsay rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I would like to focus my comments about the support extended to your Committee on Agriculture, but before I do that, if I may Mr. Speaker, I would just like to echo the good job that the Finance Committee has done. And I would like to recognize the Chair of the Finance Committee and his members, and the same of the staff for all their hard work.

"Mr. Speaker, during these difficult economic times, while travel and tourism are very important, the focus has changed from total dependency on tourism to other areas to create and develop a more diverse economy. I have said it before, and I will say it again. Agriculture is very critical to the future success of these economic diversification goals. As your Chair of your Committee of Agriculture Mr. Speaker, I am pleased that agriculture's priorities are being addressed in this budget. Diversified agriculture, as we know, is a thriving, growing industry. But vital to its survival are: the availability of good farmlands, good farmers and access to ample supply of agricultural water at affordable costs. These 3 components make up for a successful and thriving agricultural operation.

"The agricultural industry, with the backing of the Hawaii Farm Bureau, has undertaken an unprecedented capital improvement project (CIP) – proposed in both H.B. 1939 and S.B. 2931 – and this is to improve, repair and maintain water infrastructures throughout the State. Although both bills did not advance in Conference Committee, as stated by the Finance Chair, CIP funding totaling over \$14 million for agricultural water infrastructure is being provided in this budget.

"Mr. Speaker and colleagues, this CIP funding for agricultural water is very critical to the future of the agriculture industry. But in addition, it will also help the economy by creating jobs and business opportunities through construction and spending. And that is the reason why I strongly support its passage for Final Reading. Thank you."

Representative Rath rose to speak in opposition to the measure and asked that the remarks of Representatives Halford, Djou and Case be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Rath continued, stating:

"Mr. Speaker, I spoke before about the budget before it got to its final form and being larger, and being a large burden upon our people. I think some clarification is needed there. The burden is not only the present burden. The people cannot even afford the present burden. That is why there is the raid of the special funds, the raid of the Hawaii Hurricane Relief Fund, the raid of the 'Rainy Day' Fund, and an increase in taxes. So they can't even bear the full burden of what we're doing now. What we have to look at is what happens, as the good Representative from Manoa said. What happens in the future? And I am not talking a long time out. I am talking about in just the very foreseeable future.

"This budget, and if this kind of growth of government continues, is literally, literally going to bankrupt our State before we reach the end of this decade. For that reason, for all the rhetoric we've heard from the other side about how we provided this, and we provided that. We gave this, and we funded that. The truth of the matter is we didn't do 'squat.' That is taxpayer money. It is not our money. You and I didn't go out and earn this, Mr. Speaker. This is what the business community out there provided by providing business, products, services, and jobs.

"We have to understand that in this economy, what happens is to have employees, you have to have employers. Jobs don't really come from government, just like meat doesn't really come from supermarkets. I mean, we have to be reality-based. Where the money comes from is called the private sector. It doesn't come from this building. It is not our money. It is not government money. There is no such thing as government money. It is taxpayer money and we should be cognizant of that as we spend the taxpayers money.

"And the way this budget spends, the projections it puts forth for the growth in government is the only way it could be described. No family would do this. No responsible family would make fiscal planning like this. No well-run business would put out projections such as this, with a limited revenue or the expectations of revenue. This is absolutely ridiculous from a fiscal perspective to put that kind of growth out there, knowing full well that the economy won't support it, the rate growth won't support it. There is no statistical analysis that says that we are going to grow at 5%. This reality-base is just not going to happen. There is nothing fundamental to put our feet on. It is just sand.

"So to sum up the result of this budget down the line is what we really have to look at, and it is absolutely devastating for the businesses and the families of Hawaii, devastating. And passing this budget with this kind of growth, raiding these funds, sustaining big government, is recklessly, recklessly irresponsible. And that is why I vote no."

Representative Souki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. First of all I want to thank the Chair, the Vice Chair, the members of the Committee and the Sub-committee Chair on Capital Improvements, and leadership for all doing a wonderful job. I believe the people of Hawaii appreciate the great work that you have done.

"Mr. Speaker, it is kind of disingenuous in a way, to hear all these complaints about raiding the special funds and etc. Just a few years ago, a year ago, a few months ago, the major complaint was that we had too many special funds and that we should not be putting our money in special funds. It should be taken out and let us make decisions from the general fund, as appropriate.

"But now they're taking an opposite tact. They're saying, 'Leave the special funds alone. Don't touch it.' I am glad to hear that. Maybe in the future we can put more money in special funds, if this is the desire.

"Mr. Speaker, also my colleague, the Representative from Manoa states that he appreciates my views, although he doesn't agree in raising taxes. Yes, I have never been shy about it. I think we are cash-shy and cash-short, and maybe at some point in time, in the future, we may need it. However the members should be aware that I am not opposed to cutting either. During my tenure, and Mr. Speaker you were the Finance Chair, we proposed cutting 17 different programs. It passed the House, but it died in the Senate. If I can recall, everybody on the opposite side of the aisle voted against it, including when we voted to eliminate General Assistance. Everyone voted against it on the opposite side of the aisle, we tried. When the moment of truth came and you said that we are going to cut here, they didn't wish to.

"So again, it is disingenuous and disconcerting to continue to hear this kind of discussion. Thank you very much, Mr. Speaker and members."

Representative Gomes rose to speak in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Gomes continued, stating:

"Mr. Speaker, I am against this budget and this whole fiscal plan that we've got, the three to four bills that are out there that support it.

"I know some of the proponents have described this as a caring budget and I would respectfully disagree with that. I think in fact it may care for a big government, but otherwise it does not care for those who really support it. I think this budget on this fiscal plan, this financial plan that has been presented by the Majority, and I emphasize by the Majority, hurts the poor. I think it hurts those that struggle and continue to struggle to make it in Hawaii. It hurts the consumer, it hurts small business, which is the key element and economic engine for Hawaii.

"I think this budget and the fiscal plan perpetrates Hawaii's high cost of living. I think it does this because the plan continues the unconscionable policy of taxing our food and medicine and rent. It does this because it relies on exorbitant costs that result from what I consider misdirected revenue and regulatory policies that really defy common sense. These exorbitant costs are simply paid by the consumer. They're not paid by business, small business or otherwise. They're just passed on.

"I think this budget and fiscal plan is also irresponsible. Why? Because it spends billions without us knowing with any certainty, where and how that money is spent, and perhaps we can resolve that somehow if we go to, among other things, fund the Legislative Analyst so we get some more information. But simply relying on representations from one branch of government, I think, does not sound that wise and is not responsible.

"I think individuals, families and businesses outside of State government have and continue to make significant sacrifices just to get by, especially after 9/11. And the Majority has presented a budget and fiscal plan that ignores that reality, as others have said. And because it ignores that reality, I think this is not a compassionate budget or fiscal plan. This is not a caring budget or a fiscal plan.

"I would also like to say Mr. Speaker, that I am deeply disappointed in the way that this budget and fiscal plan was developed. At the end of the day, reasonable people can agree or disagree on different things, but the way that those that rely on some of the social service monies and whatnot, I think essentially, were 'dragged through the mud' in this and basically subject to what I call, sort of an 'emotional abuse' in the clarion call that the 'sky is falling, the sky is falling.' I didn't think that needed to be done. We could have sat down and deliberated this budget and this fiscal plan in a bipartisan way, much as we did with the constitutional amendment on abolishing the Board of Education. This Body worked well together on that I thought.

"These are significant issues. This is the most important thing that this Body is doing and yet the Minority, for all intents and purposes, was simply cast aside. And I don't consider begging for CIP projects in your district a form of negotiation. But I am just disappointed with that part of this process and the way the Majority has presented this plan. So for those reasons and others as well that many others have articulated so well, I definitely oppose this and the other financial bills. Thank you."

Representative Gomes submitted the following written remarks as follows:

"Expect the House of Cards to Collapse
By Lowell L. Kalapa,

As lawmakers head into the homestretch, it has become increasingly more apparent that all of the forewarnings of financial disaster for the state are more of a reality than a pipedream.

The insanity of raiding the hurricane fund while increasing the state workforce by more than 1,500 new positions makes the taxpayer wonder if lawmakers really understand the gravity of the financial situation of the state. Refusing to reduce the size of government in the hopes that the state's economy will take a turn for the better is like squeezing your eyes real tight and hoping that when you open them the big bad monster won't be there.

Well, despite all the hoopla and public relations push of the business department about how great Hawaii is as a place to do business, lawmakers were considering some pretty bad legislation that would discourage any investor from wanting to start up a business in the state. There were bills to require employers to grant time off for employees who needed to deal with a domestic violence situation involving anyone the employee knew or was involved with. The employee didn't have to be in the domestic violence situation, and the situation didn't have to involve the spouse or partner of the employee, it just had to be anyone the employee knew.

There also was the bill to require any business that buys out an existing business to retain 50 percent of the employees from the prior owner's operation. Then there are those bills to impose caps or price controls on health-care premiums and the cost of gasoline -- both politically popular but without economic merit as we all learned about price controls under the Nixon administration more than 30 years ago.

There is the bottle bill that amounts to nothing more than a new tax, generating \$24 million for more public employees, money that if lawmakers wanted to raise taxes could have gone to pay for teachers or social services, which may have to be cut because of the revenue shortfall. It is a hidden tax that will make it more expensive to put food on the table all in the name of trying to address less than 1 percent of the solid waste stream in the state.

So despite all the hype that Hawaii is a great place to do business, the actions of the Legislature certainly don't seem to back up all the fluff. The result is that the economy will continue to lumber along and tax collections will also be lackluster. So much for closing your eyes and hoping that the financial mess of the state will go away.

So, there lawmakers sit, trying to find ways to pay for all the pet programs and services they have added on to the state budget over the years. And there sit all the programs they don't want to cut because there is some constituency for this or that program. In the meantime, they are unwilling to raise taxes because they need to get re-elected this fall and that is the very last thing they want to do, offend the taxpayer.

So now they are stuck, they are approving a budget that is much too large and one that is balanced on string and rubber bands called raiding special funds and nickel and diming consumers with this or that fee or user charge.

So instead of putting their noses to the grindstone and demanding that priorities be set for state services, elected officials are passing the problem along to the next Legislature, which will be even more hard-pressed to avoid raising taxes while trying to stimulate the economy. Hopefully voters and taxpayers will not forget this pathetic drama of indecision and lack of will.

If lawmakers can't bear cutting spending, then they should raise taxes and then taxpayers will really know what a disaster the finances of the state are in. But no, they hide behind the financial "smoke and mirrors" of shifting money between funds and accounts hoping that no one will notice.

So you ask, why don't they cut spending if they don't want to raise taxes? Well, elected officials are just as afraid of offending some groups of interested citizens out there. Setting priorities would mean just that, not funding some program that may have a vocal minority.

So what is the solution to this dilemma? Perhaps the best advice in choosing elected officials the next time around is to ask whether or not a candidate can just say "No." That means being able to say "No" to tax and fee increases, "No" to programs that are not core or essential to the health and safety of the community, and "No" to programs when the money runs out."

Representative Hale rose to speak in support of the measure, stating:

"Mr. Speaker, I am a freshman in this Legislature but for many years I have watched this Body from a county representative's point of view, and have in the past been dismayed by some of its practices and its disregard for our people. I am very happy however to be a part of this Legislature because I find that the most of the objectionable practices have been eliminated. I particularly applaud the Finance Committee, which has shared even its budget working papers for the first time to my knowledge, and made a supreme effort to listen to all of our people. I even sat in as an observer in some of the Finance Committee deliberations so I can judge its efforts properly.

"I disagree with previous speakers who predict 'gloom and doom' for our future. I do not believe that any of us have the foresight to really foresee the future. We do know that we are making every effort to diversify our economy and to make our State a model of energy efficiency and make our economy more self-sufficient. If we succeed in growing our economy, we will attract more people. More people mean more government service to protect our health, education, welfare and safety, which is the purpose of government. To those who say we should cut government, I say limit our growth if you want to cut government.

"I applaud the efforts of the Finance Committee to provide this Body with a realistic budget that recognizes our present financial position, that affects not only us here in Hawaii, but our whole nation and the world's state of the economy, which is in a very precarious position now everywhere. I urge my colleagues for their support of the tremendous efforts that were made by the Chairman and the leadership of this House. Thank you."

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'd like to speak in strong support of H.B. 1800.

"Mr. Speaker, I can agree with opponents who have said that growth for growth sake does not make sense. I am not sure what 'ivory tower' these people have been living in. Perhaps they need to come down to the street level and see what is happening to our people.

"For the first time I think in the history of the Institute for Human Services, there is a waiting list for people who are homeless, and many of them are families. For the first time the Foodbank found their warehouses empty and in need. And the number of people who are uninsured continues to grow, even though we have I think, one of the best systems in terms of the Prepaid Health Care Act. I am not sure if people realize that it

is an irony that when the economy goes down, the needs of our people increase. It is a cruel irony, but it is a fact.

"The question is how do we respond? Do we say, 'Well, the economy is down so let's cut the budget? It doesn't matter if the needs are great. Let's just cut the budget. I am sorry. We cannot help you.' I don't consider that compassion. I don't think that is the role of government. Yes, there is an obligation to promote the economy but I think there is a duty, a greater priority, of meeting the needs of our people. If people want to challenge that, then I'd like to point them to our State Constitution because that is what it states. And we are obligated to fulfill the requirements of our Constitution.

"But even more so Mr. Speaker, I carry around a coffee cup as a reminder of why I am here. And it says 'A hundred years from now it will not matter what my bank account was, the sort of house I lived in, or the kind of car I drove. But the world may be different because I was important in the life of a child.' So when I look at this budget and when I look at any budget that we have passed over the years, I always look at what it does for Hawaii's future. When I think of Hawaii's future, I think about our children, because our children are an investment in our future, and if we don't invest in our children, then our future could be bankrupt.

"So I am really grateful that our Finance Chair and the Committee continues to see our children as an investment. Continues to support education as a priority, and the health and the welfare of our children as a priority. I am especially grateful that they restored \$3.6 million dollars for the English as the Second Language Learners program, because it is an investment, especially those who are newcomers to our society and to America.

"I also look at the budget in terms of how we meet the needs of the most vulnerable in our population, because they are the ones without the resources, they're the ones who cannot speak for themselves. And so it is incumbent upon all of us to speak for them and to know what their needs are. This budget continues to protect those valuable needs and responds to those needs. We are talking about the disabled, the very young and the elderly.

"And finally, as your Subject Matter Chair, in terms of health, we were once touted as 'the Health State,' with the best health program in this whole country. I think that is starting to tarnish. But I think that everyone here would agree that the health of our population should be a priority. And it is funny, when things like dengue fever come about and even this new problem over in Maui. You know people always question, why aren't we doing anything about it? Why don't people let us know what is happening?"

Representative Rath rose and stated:

"Mr. Speaker, the speakers time is expired."

Representative Kahikina rose to yield his time, and the Chair "so ordered."

Representative Arakaki continued, stating:

"Who do they look to? They don't look to business. They look to government to respond. They hold government responsible for informing the people, to let people know. They hold government responsible to respond and to inform people about what is going on. So we do play a valuable role in terms of government and meeting the needs of people, especially in crisis. I think that was never made more evident than when we were responding to a crisis as a result of the September 11th tragedies. So let's not underestimate the role that government

plays in meeting the needs of the people. And let's make sure that we do respond and use every bit of resource that we have. Even if we have to beg to get those resources, or borrow those resources. Let's do it because we are in a crisis. Thank you, Mr. Speaker."

At this time, Representative Whalen called for the previous question, seconded by Representative M. Oshiro.

Representative Meyer rose and stated:

"Mr. Speaker, I would like to have an opportunity to speak, or if that is not possible, I would want to have remarks put into the Journal."

The Chair responded, stating:

"The Chair was going to make the request to all of you. With your indulgence, that in closing the discussion, for those of you who would like to submit written comments into the Journal, for or against, you may be permitted. So may I acknowledge those individuals who would like to submit written comments for or against, in the Journal?"

Representative Meyer rose to speak in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair, "so ordered."

Representative Meyer's written remarks are as follows:

Mr. Speaker, I rise in opposition to this budget bill, H.B. No. 1800.

"As you know, Mr. Speaker, I had the pleasure and privilege of serving on the House Finance Committee for several years, so I understand the difficult situation the Finance Committee members find themselves in each year about this time. I can truly appreciate the tough decisions that face them. But this year, Mr. Speaker, I feel that we have really missed an opportunity. Over and over again it has been made abundantly clear to us that we don't have an economy large enough to support the present size of our government.

"Over the past 8 years, we have relied on 'creative accounting' methods to sustain the status quo, 'taking from Peter to pay Paul', and creating more and more special funds outside of the general fund. These special funds have been funded by fee increases. More and more government positions have been shifted from the general fund to these special funds creating the illusion that we're keeping a lid on general fund expenditures when we really aren't.

"When we look at a comparison of growth in government employees as opposed to private sector work force growth, we gain a shocking revelation. While State employment has grown by 11.5% over the past 10 years, private sector employment has grown at a rate of -0.1%.

"All funding for government comes from the private sector, and it is clear that our small business climate in Hawaii is not a healthy one. Yet, I have heard it mentioned in this Chamber today that we will have to raise taxes in the next legislative session in order to continue our government programs as they exist. But how can we even consider that when Hawaii taxpayers are already overly burdened. Our taxpayers are rated by the Tax Foundation as number 3 in the nation in taxes paid per capita, and number 1 in taxes per \$1,000 of personal income. The Tax Foundation also ranks Hawaii as number 2 in general sales tax: \$485 over the national average. We're third in alcoholic beverage taxes and fifth in public utilities

taxes. In both cases, Hawaii taxes are twice the national average.

"Pleas for help by small businesses have fallen on 'deaf ears' at the Capitol. A good example of that is the Prepaid Health Care Act that many members have championed. In its present form it is unfair to businesses and is contributing significantly to their demise. The majority has turned away from every attempt by myself and others to change that law or to work with our Congressional Delegation to change the federal ERISA law in order to provide some relief for our small business community and bring some equity to the costs for health care premiums paid for by private employees and employers.

"Over the past 8 years, we have balanced our budgets with raids of the highway fund, shorting the States contributions to the ERS fund, taking money directly from the ERS, eliminating tax credits for the most needy amongst us, payroll lags for a one-time savings, and now this year the raid of special funds. We've just about exhausted all those one-time fixes. This is putting off the inevitable and is not very responsible. For these reasons, I cannot support this bill."

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I would like to speak in favor of the budget bill.

"I believe the Finance Committee has done a creditable job of dealing with the shortfall brought about not only by the events of September 11th, but also the declining mainland economy.

"I also believe that the revenue generating alternatives and cost cutting measures that were used will help us through this most difficult period. I do have concerns about the use of special funds, the 'Rainy Day' Fund and hurricane monies to balance our budget. We will have to deal with the realities of shortfall not only next session, but in the coming years.

"Therefore, I believe the passage of legislation to create a commission on Core Government Services, and our continued support for the investigation of how monies are being spent in education (especially Felix), and through the Health Fund are more than justified.

"I applaud the Finance Committee for their hard work with maintaining education as a priority and supporting the social safety net.

"The budget also contains critical funding for my community by providing more than \$5 million for the construction of Mililani Mauka II Elementary School. Thank you."

Representative Espero rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Espero's written remarks are as follows:

"As a member of the Finance Committee, I know we looked very hard at the best way to balance the budget and minimize negative impacts on government services and programs. When our constituents said not to tap \$100 million from the HHRF, we took a serious look at other ways to find the funds to balance the budget.

"H.B. 1800 is a product of the countless hours staff and committee members exhausted to find a compromise. The Legislature responded by not tapping \$100 million from the hurricane relief fund, but rather using \$29 million in interest from the HHRF. Many constituents told me this is a good compromise, and I feel if future years allow it, we can repay the 29 million into the fund if our economy rebounds and the state is fiscally healthy.

"In this difficult budget year, the Legislature did listen to all stakeholders involved, and passed a compassionate budget that does help the needy and poor and minimize negative impacts on the people of Hawaii."

Representative Takai rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Takai's written remarks are as follows:

"Thank you Mr. Speaker, for this opportunity to insert comments regarding the budget bill. I am extremely pleased to see a balanced budget on the floor today. I would also like to extend my congratulations to Representative Takamine for his hard work to get this budget bill to the floor.

"I have one area of concern regarding a specific CIP project left out of the budget. In 2000, the Legislature approved \$25 million for the Interstate Route H-1 Widening Project (\$5 million in special funds and \$20 million in federal funds).

"The Governor in his executive supplemental budget requested additional support for \$2.5 million in special funds and authorization to spend an additional \$22.5 million in federal funds.

"This budget bill before us today eliminated the funds requested by the Administration. How this happened is unclear.

"What this elimination of these funds will do is what concerns me today. You see, this project is one of the Department of Transportation's top priorities.

"Because of the events of September 2001 and the impact on our economy, Governor Cayetano made it his top priority to fast-track construction projects that would provide a boost to our local economy. This project was one of the Governor's fast-tracked CIP projects. Unfortunately, the deletion of this request of additional appropriations in today's budget will force a delay of the project for at least one year.

"By way of background, this project will allow for the continuation of a sixth freeway lane through the freeway bridge spanning Waimalu Valley. This project, according to DOT, will alleviate the traffic gridlock faced by our westbound commuters to Leeward and Central Oahu.

"Design is progressing and is on schedule to be completed later this fall. Construction bids were projected to be advertised by December 2002. Construction, which is expected to last 18 months, was to begin in the summer of 2003.

"The freeway is to be widened by 32 feet. As a result, 10 homes and a church have been or are in the process of being acquired. To date only three more residents and the Waimalu Grace Brethren Church still need to be relocated.

"Additionally, 19 residences have been identified for temporary relocation during periods of construction for safety and access purposes.

"It puzzles me why this project was eliminated from the budget. I would like to think that a project, which is nearly 90 percent federally funded, would have been a priority for us. Instead, the deletion of this project has been a terrible embarrassment for us.

"I have been accused of not 'watching out for this project', during the budget process. To be perfectly honest, I told DOT personnel that I will not be responsible for the appropriation for this project or for encouraging additional public support for this project.

"As you can imagine, a project that kicks out constituents in 10 homes and a neighborhood church is a political nightmare at best.

"However, some people have accused me of failing to do my job as a State Representative to ensure adequate funding of this project. They say that I am responsible for lobbying for the funds because I am the State Representative for the district in which this project will be built.

"I already mentioned the difficulties I've had in supporting this project because of the negative impact this project is having on constituents in Waimalu Valley. But I have not blocked this project because I understand the positive impact this project will have for the commuters living and working on the Leeward Coast or in Central Oahu. The truth is, this project has more to do with improving traffic flow for commuters from Leeward Oahu and Central Oahu than with improving our driving conditions for Aiea or Pearl City.

"I believe that the deletion of this project is very confusing. I would hope that the Legislature will find it appropriate to fully fund this highway project.

"Although I don't believe that it is still my responsibility to ensure funding for this project, I apologize to the people who have worked on the project.

"Mahalo, Mr. Speaker."

Representative Magaoay rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Magaoay's written remarks are as follows:

"Mr. Speaker and colleagues, I rise in support of this measure. H.B. 1800, CD 1 pertains to our State budget.

"H.B. 1800, CD 1 is perhaps one of the most important bills to come before this body throughout this legislative session. The budget will impact the lives of every resident in this State. Hawaii's economy and the needs of the people are placed in our hands as we whole-heartedly and with determination work together to balance our State's budget.

"H.B. 1800, CD 1 will support many programs essential for our people and the State of Hawaii. This bill will enhance our educational programs and infrastructure; provide needed improvements for our medical facilities; provide improvements for our Transportation department as well as continuing to support Hawaii's natural resources.

"We are an elected source of power that represents the people. We are here to find the best resolution our combined intellect can muster. I commend my colleagues for their untiring efforts and their steadfast commitment to resolve.

"Therefore, I urge my colleagues to stand in support of this measure."

Representative Pendleton rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in support but with reservations of House Bill number 1800, House Draft 1, Senate Draft 1, Conference Draft 1, which concerns the State budget.

"At the outset, Mr. Speaker, I wish to state my support for the intent of the budget. I believe there are many strong programs funded by the State that benefit many of my constituents. Programs such as homeless services, vocational rehabilitation, and pest and disease control are truly important to this State and in no way do I believe these core government programs should cease to exist.

"However, Mr. Speaker, the predicament is how we fund these programs as a State. The problems I have with this bill are the temporary solutions this Legislature has found to fund this budget and the way we are merely postponing the State's problems for future legislators to deal with.

"We have taken the worst road to balancing the budget. We have decided to make one-time raids and transfers on special funds that we will be unable to make again. The HHRF is a case in point. Once we take the monies from these funds, they will no longer exist for either the purpose they were created or for us to raid again.

"Instead of using a false solution that focuses on dulling the pain instead of healing the wound, we should be looking at ways in which to genuinely promote the health of our State. The status quo is unacceptable, and I dread to think about what might happen if we continue to solve our State's budget problems in the same ad hoc way further down the road.

"While it is true we could raise taxes to fund this budget, we should not burden all of the fiscal problems on our constituents, the people of Hawaii. Instead we should realistically appropriate our revenues in order to prevent over-spending. We should find ways to control our costs. We must prioritize.

"There are unforeseeable circumstances that will prevent us from making an accurate appraisal, such as the events of September 11. We should learn from this tragedy and make long-term plans now to accommodate for such events, in order to prepare for the future. Preserving our 'Rainy Day' Fund will do this.

"Mr. Speaker, it is important that we face the reality before us. The reality is we have a stagnant or anemic economy. The reality is this budget is balanced but only for the moment. And the reality is we can do better.

"So for these reasons, Mr. Speaker, I support with reservations House Bill 1800, House Draft 1, Senate Draft 1, Conference Draft 1, which relates to the state budget. I thank you."

Representative Yonamine rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Yonamine's written remarks are as follows:

"The balancing of this year's budget was particularly vexing. On September 10, 2001, the State's economy was suffering because of the nation-wide recession and by the end of the

following day, 9/11, we began a dramatic and deep decline caused primarily by the sudden decrease in tourism.

"I commend both the House Finance and Senate Ways and Means Committees for using innovative methods in arriving at a stringent financial plan, while maintaining the basic safety net of food and shelter for those of us hardest hit and still recovering from the impacts of a recession and 9/11.

"We started this legislative session with an overwhelming shortfall of \$315 million. A combination of various methods was used to balance the supplemental budget including reduction of \$96 million in general funds, transfer of \$140 million from special funds, withdrawal of \$29 million in earned interest from the HHRF, raising the cigarette tax, and siphoning \$10 million from the 'Rainy Day' fund to the General Fund specifically to provide for our health and safety. Expenditures were reduced in part by eliminating 287 general fund positions in State government and by abolishing all deputy and assistant to the director positions in all State departments, except for the university of Hawaii and the Department of Education.

"The budget represents the best choices that could be made in view of the State's financial situation while providing enough monies to allow State agencies to maintain essential public services.

"I commend Chair Takamine, Vice Chairman Kawakami and members, the Finance Committee for passing this important needed budget.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1800, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 40 ayes to 11 noes, with Representatives Case, Djou, Fox, Gomes, Halford, Jaffe, Meyer, Ontai, Rath, Stonebraker and Whalen voting no.

The Chair directed the Clerk to note that H.B. No. 1800, HD 1, SD 1, CD 1 passed Final Reading at 12:55 o'clock p.m.

At 12:55 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:38 o'clock p.m.

The Chair recognized the Clerk who announced:

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 1800, HD 1, SD 1, CD 1, was adopted, and that H.B. No. 1800, HD 1, SD 1, CD 1, Relating to the State Budget, passed Final Reading in the Senate at 11:00 a.m. this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 1:00 p.m., this day, H.B. No. 1800, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9, of the Hawaii State Constitution."

At this time, the Chair announced that Conf. Com. Rep. No. 163-02 and S.B. No. 2179, SD 2, HD 1, CD 1, would be taken out of order.

Conf. Com. Rep. No. 163-02 and S.B. No. 2179, SD 2, HD 1, CD 1:

Representative Morita offered the following floor amendment:

SECTION 1. Senate Bill No. 2179, SD 2, HD 1, CD 1, is amended by amending line 17 on page 61 to read:

SECTION 1. Senate Bill No. 2179, SD 2, HD 1, CD 1, section 2, is amended by:

1. Amending line 19 on page 3 to read:

"(1) Establish wholesale and retail"; and

2. Amending line 17 on page 61 to read:

"(1) Section 2 shall take effect on July 1, 2004; and"

Representative Morita moved that the floor amendment to S.B. No. 2179, SD 2, HD 1, CD 1, be adopted, seconded by Representative Chang.

Representative Gomes rose to speak in opposition to the proposed amendment, stating:

"This is attempting to amend what is a very dangerous, reckless, unbelievable bill. This amendment as proposed, does nothing to make that better. If this amendment were to strip the underlying bill and leave it blank, I would support it. But as it stands, like I said, it does nothing better.

"We are going to have a long discussion, I hope, about why this is a terrible idea, why we don't need it, why nobody, frankly, knows what the impact is going to be. Even if it is delayed and we can study it, this is a terrible signal that we are going to send out to the marketplace, with this amendment or without it. For those reasons, I think I would encourage all of my colleagues to vote against this amendment and the underlying measure. Thank you."

Representative Djou rose to speak in opposition to the proposed amendment, stating:

"Thank you, Mr. Speaker. I will confine my remarks specifically to this amendment and save my remarks on the underlying measure for when it comes up for passage.

"Mr. Speaker this amendment proposes to delay the effective date by an additional year. That it will not take effect until July 1, 2004. Mr. Speaker, I do have a lot of very, very grave concerns about the underlying measure. I believe that the underlying measure may cause a number of problems in our economy, but this particular amendment would delay that for an additional year. It will create additional uncertainties in the marketplace.

"And if you are a proponent of the underlying measure and believe that the underlying bill might actually reduce gas costs by delaying it an additional year, you delay the benefit and reward, supposedly, for the Hawaii consumers for an additional year. So in other words, by passage of this amendment, you get the worst of all worlds. You do not get the supposed benefits contained in the underlying bill, but you also create uncertainties in the marketplace. That will deter investment and deter additional businesses being created in this industry where we need additional competition. So for all these reasons Mr. Speaker, this is a bad amendment and should be voted down. Thank you."

Representative Halford rose to speak in opposition to the proposed amendment and asked that the remarks of

Representative Djou be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Halford continued, stating:

"Mr. Speaker, this amendment is to delay the issue. If the underlying bill is going to create savings in the marketplace, then the sooner the better. Why not advance it a year and have it start this summer. If the economic geniuses that came up with the bill truly believe that this is a constructive thing for the community and not just an election year issue, let's go right now."

Representative Kanoho rose to speak in support of the proposed amendment, stating:

"Thank you, Mr. Speaker. I am in strong support of the amendment. Let me clarify first that generally, I've always been opposed to regulation *per se*, except for when regulation is necessitated by a monopolistic situation or where there is seemingly exorbitant profits involved, or when that entity refuses to cooperate by disclosing information so we can know for certain that their operation and their profits are reasonable. In that case I think, Mr. Speaker, I had been in support of this measure. But the 2003..."

Representative Bukoski rose to a point of order, stating:

"I believe the speaker is referring to the underlying bill and not to the reasons for this amendment which is to delay the starting date of the bill."

The Chair responded, stating:

"Representative Bukoski, I believe Representative Kanoho is addressing the floor amendment, which was to extend the effective date by one year. Representative Kanoho, please proceed."

Representative Kanoho continued, stating:

"Thank you, Mr. Speaker. Yes indeed, my remarks are in support of the extension of the effective date and what that means to the people involved. We would unwittingly cause hardship, in fact, we would unwittingly cause the expiration and demise of small businesses. This is such a complex issue. For example the crude that is imported."

The Chair addressed Representative Kanoho, stating:

"Representative Kanoho, it is just the floor amendment that deals with the effective date. At a certain point in time, if this amendment is adopted, you will have the chance to speak in discussion of the underlying bill."

Representative Kanoho responded, stating:

I shall do that. If I may I would like to speak on the reasons for the extension and that is, it would offer the Legislature and all those involved the time to look at the criteria. Because if the effective date is left at 2003, in my opinion, it does not give enough time for DBEDT or for the Commission to look at all the factors involved and to come up with the necessary criteria to determine what the regulated figures should be because there is so much to consider.

"Secondly, the companies involved, mainly the small people, should there be a need for any kind of capital improvement, and a good example would be the ARCO service station on Vineyard Blvd. No one would be able to assume ownership or operation of that station because it would need substantial improvements and they would not be able to get any kind of

financing. And that situation would be multiplied by several times. So for that reason, we need the time. We need the time to know exactly what we're doing because one year might sound like sufficient time, but it really isn't for the reasons just explained. Thank you, Mr. Speaker."

Representative B. Oshiro rose to speak in support of the proposed amendment, stating:

"Thank you, Mr. Speaker. I rise in strong support of the amendment. I think there has been criticism as to if it's such a good idea, why don't we do it now. I think there are multiple reasons. One of them being the fear of this hanging over people's head, even if it is not in effect at this time, that it will come into effect. It will have some of the benefits that we are seeking. If you take a look at exhibit 6 from the presentation the Attorney General had given, in 1998 when the lawsuit was filed, we saw the price of gasoline drop. What they did was they compared the California prices to the Hawaii prices. And there, in 1998, there was actually a 37.3 cent difference. However by the year 2000, we saw it drop down to a 3 cent difference. And that has been specifically attributed because of the lawsuit and that hanging over people's heads. And I think this is the same kind of idea. It is going to be hanging over people's heads so that they know they have to work toward making this an effective type of regulation.

"People have criticized, why doesn't this come into effect now. But we all have to realize that, that will possibly open the door to litigation. There are two things that having a 2004 extension date will do. One, it prevents the lawsuit from actually becoming known as 'ripe,' because it is not in effect. The lawsuit really doesn't have any 'teeth' to it, because the courts will always say that you are not really injured in fact because there is no law yet in place. So I think that undercuts the lawsuit potential.

"We also have to realize that what this law actually does is it requires disclosure and that is a very important part of what is being required here under 486J. It is changing the word 'may' to 'shall.' And this 'shall' means that the oil companies will now be forced to disclose all of the information. A similar lawsuit was filed I think in Alaska, where they tried to make the oil companies disclose this information, and at that time they refused. So you know, I think an extension of 2 years to 2004, is a very, very prudent idea so we can properly approach this. Thank you."

Representative Hale rose to a point of information, stating:

"Mr. Speaker, I have a point of information. I was informed that the Senate has voted down this bill. Is that true?"

The Chair responded, stating:

"No not the bill but the amendment. They have not voted down the amendment. They did not vote down the floor amendment that we are discussing right now."

Representative Hale then spoke in support of the proposed amendment, stating:

"Oh, I see. Well Mr. Speaker, I rise to support the amendment then.

"Mr. Speaker, I started out with an amendment that I think most of you saw which proposed to make the date 2005. Unfortunately, I couldn't get a counterpart in the Senate to put that amendment in. So I couldn't do that. However, through the energetic leadership of the Chair of Energy and Environmental Protection and some of the House leaders, they were able to convince the Senate then to agree to the 2004 date.

So therefore Mr. Speaker, although I prefer 2005, I did feel that 2004 was better than 2003, so therefore I support it.

"I'd like to give some reasons why I think we need this extension of time. Mr. Speaker, this bill started out as a mandate for State agencies to promote energy efficiency, water conservation, and the use of renewable energy products. This is the reason we need to extend it, Mr. Speaker. No one agrees with that purpose, but it morphed into a bill to regulate gasoline prices. This amendment is submitted because with the bill that emerged from the Conference Committee, it is radically different from the HD 1, which only controlled the wholesale price of gas. This bill went from HD 1, thirty four pages, to the Senate draft which is thirty two pages, to the CD 1, consisting of sixty one pages. I wonder how many of us have actually read the whole bill. It is so convoluted and complicated that I for one, do not entirely understand the implication or results.

"All of the gas station owners in my district have told me that it will drive them out of business. Mr. Speaker, I represent a very rural district that is twice the size of the island of Oahu, and there is nothing in this bill that accounts for the volume of gas sold. It is all predicated on the price. Obviously, the less gas that is sold, the less is the profit. One size does not fit all. Although the Neighbor Islands have a differential, it is an average and does not fit our situation.

"Furthermore Mr. Speaker, this new bill has never been submitted to public scrutiny and input. It violates every ethical principle of representative government. This bill requires the Petroleum Commissioner to, 'gather and analyze and interpret information relating to the supply of petroleum products,' and submit the findings to the Legislature 20 days prior to the first day of the Session. It also requires DBEDT to submit detailed studies to the Legislature no later than 20 days prior to the convening of the Regular Session of 2003. I submit, this is impossible. This is an election year and you will have a new administration on the first Monday in December, before the 2003 Legislature begins.

"Mr. Speaker, it is true that the Legislature has the power and duty to regulate gasoline prices, which everyone acknowledges, are unreasonably high. But we need accurate information, which we do not have at this time. This amendment would only delay the implementation of this bill so a new administration could do the proper studies as mandated in this bill. And the Legislature could act responsibly in trying to solve the whole problem. If we do not allow this time, then I will certainly have to vote against this bill as reported out of Conference Committee. And I will regret that action because there are good parts of this bill that mandate State agencies to conserve energy and promote the use of renewable energy instead of fossil fuels. I do not want to 'throw the baby out with bath water'.

"With adequate time to get the information needed, we can in future sessions subject this bill to full public hearing and amend it to tackle the real problem, which is how to get real competition in the wholesale prices of petroleum products. Thank you, Mr. Speaker."

Representative Rath rose to speak in support of the proposed amendment, stating:

"Thank you, Mr. Speaker. This amendment extends the time, and that is a very good thing to do with this type of legislation and I'd like to explain why. This is no longer, as was just explained by the previous speaker, a very simple bill that caps wholesale prices. This has become a 'Frankenstein' bill of sorts, with all kinds of tentacles, and is extremely complex and regulatory with the PUC involved. Very honestly, if I was in business and I thought the State was going to regulate my

business, it would scare me to death. There is some concern on the part of consumers, because what if the PUC does the same thing for gas as they have done for electric rates. That is pretty scary. But the good part about this is what it may cause to happen in the State of Hawaii.

"What's good about this amendment, the extension of it, is just this. First and foremost, we all understand that we've been getting gouged. That is the based on fact now because of the discovery in the lawsuit. We couldn't win that lawsuit and I won't go into why that happened because it is not relevant to the discussion of this amendment. However, we know that there is a wrong there. In our State it is not what the market will bear. It is what we have to bear. And somebody, somebody has to do something about it.

"Now, the most logical choice is to let the free market run. But of course we know because we are a small State of seven islands, because of the cost of refining and a lot of other factors, that is never going to happen. It is not financially or fiscally possible for the market size. So what this does is say that we are going to regulate gas in two years, and let me make this prediction. By passing this possibility of regulating, in two years, any oil company in their right mind is going to be scared to death. And they will find a way of course. They will fight it in court if they can. But they will find a way to appease the public and self-regulate. They could actually adopt the cap which was the heart of the bill that was passed here, not once but twice, and sent away to the Senate. They could voluntarily adopt that cap, thus limiting themselves and eliminating this, and making everything go away. And when that day comes, which I think it will because I am pretty good at predictions, I will gladly vote to repeal this bill. Thank you, Mr. Speaker."

Representative Meyer rose to speak in opposition to the proposed amendment, stating:

"I am frankly, perplexed by the remarks of many of my colleagues here who have risen in support of this amendment, and then go on to identify all the problems with this bill. Delaying a bad bill by one year is simply irresponsible.

"We saw, and it was mentioned in our debate over the budget, that a large problem that we have here in Hawaii is that our private sector has been stagnated for over ten years, with growth of minus 1%, while government has grown by 11.5%. This is not a vital, rigorous kind of economy. Passage of this kind of bill, whether it is 2003 that it kicks in, or 2004, will have a devastating effect on our economy. I've already spoken to some dealers who informed me that Union Oil was going to invest about a quarter of a million dollars in upgrading their tank farm. On the strength of this bill that is so close to passing they are not going to do that. Now if we extend this hanging 'hammer' out there, what will happen in our economy?"

"Right now on Oahu, I think there are eight to ten ARCO stations that are sitting there empty, not functioning, because of bankruptcies. By bringing in these price caps, government regulation of a commodity, there is simply not going to be anybody that is going to want to come in and invest in those stations. Stations that are contemplating improvements, they're not going to do that. If we want to create a vital business economy, we simply must stop passing bills that create this kind of regulation.

"I can't support the amendment. I will not support the underlying bill. But I would ask my colleagues to think about what effect this bill would have in just extending this by one year. It is not a positive move. Thank you, Mr. Speaker."

Representative Thielen rose to speak in opposition to the proposed amendment, stating:

"Mr. Speaker, I vote strongly against the amendment, and I vote strongly against the underlying bill. The reasons have been expressed by my colleague who spoke just before me.

"Mr. Speaker, delaying a bad implementation of a bad bill for one year does nothing except to make it much more uncertain for those companies who might have an interest in continuing to do business in Hawaii or starting in business in Hawaii. I think we've become the 'poster child,' definitely the 'poster child' for *Forbes Magazine* as Hawaii is the worst place in the nation to do business."

Representative Case rose to speak in support of the amendment with reservations, stating:

"Thank you, Mr. Speaker. I rise in support with reservations, and my reservations are much different from those that I've heard already.

"I think this is a good bill and we should get on with it. What are we waiting for? I think the evidence is clear as to what is going on here. I think every excuse that is brought forward, or that we hear, and that we surmount, just brings about another excuse.

"First we heard that the cost of gas was just attributable to high state costs. That's not true. Then we heard the oil companies aren't making a profit. That's not true. They are making a very high profit. Then we heard that price regulation was the wrong way to go and there was no out. We provided some good outs in this bill. Then we heard that implementation right away was too soon, so we added in a year. Frankly, some of the oil companies said in Conference: let's go two years. This is what the amendment proposes. We came back to one year. Now we are going to go back to two.

"So the point here is they just don't want it, and that is what they are setting out to do. The people that oppose this amendment oppose the concept of capping gas prices. That's fair, but I think our policy choice is clear.

"You know, this is a matter of priorities. What are our priorities? The cost of gas is one of the highest cost drivers that we have going in Hawaii. Every dollar that we spend in excessive profits is exported somewhere else. You talk about economic revitalization. Think about that. Money that doesn't circulate in our economy one more year is a couple hundred million dollars more out somewhere else, not in our economy. I think we should get on with it. Let's make the policy call and get going. Is a year enough? Come on. It is just a matter of priorities. Are we committed to it or not?"

"I am going to go along with it. I can see the practical politics staring me in the face. This is what it takes to get something out. I won't vote against it, but I'll stand here and say that there is no excuse, really. There are plenty of 'outs' in this bill. Plenty of opportunity for us to modify it between now and July 1st of next year. We've been in worse fixes before and we've dug ourselves out in a lot shorter periods of time. There is no reason for us to put this off. I will go with everybody else on it, but there's a little counter-weight speech for you. Thanks."

At this time, the Chair addressed the Body, stating:

"Members, we've had a lot of discussion on the proposed floor amendment. We are not talking about the underlying measure that is before us, but just the amendment, which extends the effective date to 2004. To finish it up, the Chair recognizes both Representative Moses then Representative Djou."

Representative Moses rose to speak in opposition to the proposed amendment and asked that the remarks of Representatives Meyer and Djou be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Moses continued, stating:

"I am opposed to the amendment and of course the underlying bill. If we really truly want to address the problem, let's just reduce the tax on gasoline and bring the price under a dollar. Thank you, Mr. Speaker."

At this time, Representative Djou requested a roll call vote.

Representative Souki rose to speak in support of the proposed amendment, stating:

"Yes thank you, Mr. Speaker. I was opposed to the previous version of this bill, and with this bill here, I would vote with very strong reservations, and I reserve my right to vote no on this on Third and Final Reading.

"My major concern with this bill is that what it'll do is put over a lot of the businesses, a cloud, that would be hanging over them. It may be regulated, it may not be regulated. But it will put them in a 'limbo' situation. If they were thinking of selling their business, they will have a difficult time. If they were thinking of getting a loan to expand or to improve the business, because of this cloud, they will probably have a very difficult time.

"I would prefer, if you were going to amend this bill, that you would put sunset clause, not the sunrise clause. With a sunrise clause, I don't care what information comes up, but if the leaders in the future, whoever they may be, wish to continue with it, it would be very difficult for the Legislature to overturn this. And this is one of my biggest fears. Yes, the time extension may be good, however there is no sunset clause in there, and I am still very concerned. Thank you."

Representative Marumoto rose to speak in opposition to the proposed amendment and asked that the remarks of Representative Souki be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Marumoto continued, stating:

"I also feel this is a 'limbo.' It is a death sentence that prolongs the agony, and I would just simply, on a point of inquiry, rise. I don't quite understand the amendment. The first amendment changes line 19 on page 3 to read, 'established wholesale and retail'. My question is, 'wholesale and retail' what? The original bill says, 'wholesale and retail price caps.' So if the introducer could please add a little illumination, thank you."

At 2:05 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:07 o'clock p.m.

The Chair addressed Representative Marumoto, stating:

"Representative Marumoto, on your point of inquiry, as far as a response, I hope you got your answer."

Representative Marumoto responded, stating:

"Thank you very much, Mr. Speaker. It was just a matter of not being able to see the entire sentence in the amendment."

Roll call having been previously requested, and by unanimous consent, granted, the motion that the floor amendment to S.B. No. 2179, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY RESOURCES," be adopted was put to vote by the Chair and carried on the following show of ayes and noes:

34 Ayes: Representatives Abinsay, Ahu Isa, Arakaki, Cabrerros, Case, Chang, Espero, Garcia, Hale, Hamakawa, Hiraki, Ito, Kahikina, Kanoho, Lee, Luke, Magaoay, Morita, Nakasone, B. Oshiro, M. Oshiro, Rath, Saiki, Say, Schatz, Souki, Stonebraker, Suzuki, Takai, Takamine, Takumi, Whalen, Yonamine and Yoshinaga.

17 Noes: Representatives Auwae, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Kawakami, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Thielen.

The Chair then announced that consideration of S.B. No. 2179, SD 2, HD 1, CD 2 would be scheduled for Thursday, May 2, 2002.

Conf. Com. Rep. No. 164-02 and H.B. No. 2300, HD 2, SD 1, CD 1:

On motion by Representative Takamine, seconded by Representative Kawakami and carried, the report of the Committee was adopted and H.B. No. 2300, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Fox, Rath, Stonebraker voting no.

The Chair directed the Clerk to note that H.B. No. 2300, HD 2, SD 1, CD 1, passed Final Reading at 2:12 o'clock p.m.

S.B. No. 2693:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, S.B. No. 2693, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Third Reading by a vote of 51 ayes.

S.B. No. 2632:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, S.B. No. 2632, entitled: "A BILL FOR AN ACT RELATING TO ARRESTS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Marumoto, Meyer and Thielen voting no.

The Chair directed the Clerk to note that S.B. Nos. 2693 and 2632 passed Third Reading at 2:13 o'clock p.m.

Conf. Com. Rep. No. 1-02 and H.B. No. 2848, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2848, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ito rose to speak in support of the measure, stating:

"Mr. Speaker, I rise to speaker in support of this measure.

"This bill proposes amendments to the Constitution of the State of Hawaii to authorize the State to issue Special Purpose Revenue Bonds (SPRBs) and use the proceeds from these bonds to assist not-for-profit, private elementary and secondary schools, colleges and universities. If passed, this measure would go before the voters on the November ballot and would create a new category of SPRBs.

"Mr. Speaker, just as our public schools require continuous financing for planned renovations and capital improvement projects, private schools have comparable funding requirements. Over the past decade Hawaii's private schools have spent significant funds on new construction, renovation of existing school buildings and renovations to comply with American's with Disabilities Act Regulations. It is a struggle for every one of Hawaii's private institutions to maintain and improve infrastructure. However most schools have a plan in place to do so pending adequate financing. Capital funds are exceedingly difficult to obtain in the present economy. All too often private school boards are making difficult decisions to defer maintenance and forego improvements until the economy improves.

"Special Purpose Revenue Bonds are currently available to many entities in the state with the notable exception of schools. Many private schools on the mainland have been able to use the proceeds of tax exempt bonds, which are similar to special purpose revenue bonds to finance construction and renovation projects. These bonds pay a rate of interest 1.5 to 2 percentage points lower than comparable non tax exempt bonds. While private schools in Hawaii are presently free to use long term bonds to finance construction and renovation such financing may not be affordable to a school especially a smaller private school.

"The schools who would benefit most from using Special Purpose Revenue Bonds are the small schools, which do not have large endowments. Even with the option of using SPRBs, these smaller schools might still have hurdles in obtaining financing for their projects. Using a SPRB for a small school's project may not be economically feasible due to the costs of the bond issuance and the actual cost of the project itself, which may be too small. This bill provides for these schools by allowing bond pooling. By using this option a group of small schools can pool their resources and together use one SPRB for all of their projects.

"Mr. Speaker, this bill would not take money away from our public schools. Let me repeat that. This bill would not take money away from our public schools. The DOE does not object to this measure because it does not take anything away from public education. There is no appropriation or expenditure of state funds, since the State merely serves as a conduit. The bonds are not secured by any credit of the State and there is no obligation on the part of the state to repay any of the bond proceeds. Thus even in the unlikely scenario of a default on one of these bonds, the State would not be liable. Further the accompanying statutory language for this measure contained in H.B. 2166, provides that all costs incurred by State agencies in administering the bonds must be paid by the private school or schools that are using the bonds.

"We have also addressed First Amendment concerns. This matter was thoroughly researched by the Legislative Reference Bureau, which found that similar programs in other states do not violate the U.S. Constitution's First Amendment, which addresses the separation of church and state. Courts in other states have found that as long as a school is not 'pervasively sectarian' and the bonds are issued for projects that are not religious in nature, for example, libraries and science labs are acceptable, chapels are not, the First Amendment is not violated. An additional safeguard to provide oversight on these

matters is contained in the measure. Like any other SPRB of issuance, each bond project must be approved by this legislature. At that time, this Body will be able to review and determine whether a project is consistent with the U.S. Constitution. If it isn't we can reject it."

Representative Takumi rose to yield his time, and the Chair "so ordered."

Representative Ito continued, stating:

"Thank you, very much Representative. There is an additional benefit to the state if Special Purpose Revenue Bonds are approved for private schools. Renovation and construction jobs already planned by these schools, but put on the back burner due to lack of capital. This capital will be creating jobs and stimulating Hawaii's economy. Considering the backlog of work due to deferred maintenance and the demand for improved facilities, the private school community has the potential to make a substantial and ongoing contribution to the revitalization of Hawaii's economy. Again this can be done without the expenditure of state revenues.

"Mr. Speaker, we have learned a lot during the five years it has taken to get this bill to this point and in a way, I'm glad it has taken us this long. I'm glad, Mr. Speaker, because I believe we have crafted a bill that addresses all the concerns raised and we have ensured that those schools which need this bill the most will be able to reap its benefits. As State legislators, we have a duty to ensure that all children of this State receive a good education. Not just because each one of us here represents some of the more than 36,000 children who attend private schools in Hawaii. We have a duty Mr. Speaker, because by investing in all the children of Hawaii we are investing in our future leaders.

"I urge all my colleagues to support this measure today and on the ballot in November. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2848, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLE VII, SECTION 12, AND ARTICLE X, SECTION 1, OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE STATE TO ISSUE SPECIAL PURPOSE REVENUE BONDS AND USE THE PROCEEDS FROM THE BONDS TO ASSIST NOT-FOR-PROFIT PRIVATE ELEMENTARY SCHOOLS, SECONDARY SCHOOLS, COLLEGES, AND UNIVERSITIES," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 18-02 and H.B. No. 2166, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2166, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure.

"H.B. 2166 provides the enabling statutory framework for H.B. 2848, which proposes an amendment to the Hawaii State Constitution to authorize the issuance of Special Purpose Revenue Bonds (SPRB) and use the proceeds from the bonds to

assist not-for-profit private elementary schools, secondary schools, colleges and universities.

"Providing Special Purpose Revenue Bonds to these not-for-profit private schools will allow them to maintain and improve infrastructure essential to the well being of institutions and students. Just as our public schools here in Hawaii require our immediate attention, our private schools will require significant expenditures over the next ten years to address Americans With Disabilities (ADA) renovations, deferred maintenance caused by our weak economy throughout the past decade, and a concerted effort to modernize our schools for 21st century learning rich with technology.

"Mr. Speaker, I would like to stress that the schools that would benefit most from using Special Purpose Revenue Bonds are the smaller schools, which do not have large endowments. Special Purpose Revenue Bonds would not take money away from public schools. There is no appropriation or expenditure of State funds as the State merely serves as a 'conduit.' The obligation on the part of the State to repay any of the bond proceeds. Further, all costs incurred by State agencies in administering the bonds must be paid by the private school that is using the bonds.

"School infrastructure, whether public or private, serves many public purposes in Hawaii. The current bond process aids many not-for-profit corporations that serve the general public. Private schools and universities, which educate more than 36,000 students at no cost to the taxpayer, provide a valuable service to the community and should be granted similar opportunities. It is a struggle for every one of Hawaii's private institutions to maintain and improve infrastructure, especially since capital funds are exceedingly difficult to obtain in the present economy. If Special Purpose Revenue Bonds are approved, renovation and constructing jobs already planned will be implemented; thus, the projects that will result from this bill will provide jobs for many construction workers as well as a better learning environment for our children.

"The Conference Committee has amended the measure by:

1) Altering all references to, 'not-for-profit private elementary schools, secondary schools, colleges, and universities that serve the general public' to read, 'not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public'; and

2) Adding language regarding bond pooling which states that, 'the State may combine into a single issue of special purpose revenue bonds two or more proposed issues of special purpose revenue bonds to assist not-for-profit nonsectarian and sectarian elementary schools, colleges, and universities, separately authorized as aforesaid, in the total amount of not exceeding the aggregate of the proposed separate issues of special purpose revenue bonds.'

"These amendments bring the statutory language of this measure into conformity with the constitutional amendment language in the related measure of H.B. No. 2848, HD 1, SD 2, CD 1.

"Members, please pass this bill out as amended in Conference. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2166, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 2-02 and H.B. No. 1012, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1012, SD 1, CD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 6, OF THE HAWAII CONSTITUTION, TO CHANGE THE ELIGIBILITY TO SERVE AS A MEMBER OF THE SENATE OR HOUSE OF REPRESENTATIVES," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 3-02 and H.B. No. 2382, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2382, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Garcia rose to speak in support of the measure, stating:

"Mr. Speaker, it is my hope that it will minimize this bill that it will minimize the siting problems for new correctional facilities by identifying them early and soliciting comments. Before investing a great deal of planning and permitting effort, the public and the Department of Public Safety will have a chance to exchange information and narrow the search to the most feasible sites. I will be the first to admit that there is the well-known NIMBY effect regarding correctional facilities, yet the intent of this bill is to balance that issue against the goal of involving the public in the site selection process, and by this I mean with the correctional facilities or anything that has to do with the prisons.

"The intent is not to 'hamstring' the Department, but rather foster a meaningful comment period. Recent experience with the relocation of the juvenile sex offenders is an example of what happens when the Executive announces decisions made without enough public notice or input. With that, I ask my colleagues to support this measure. Thank you."

Representative B. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the remarks of Representative Garcia be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative B. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure as it promotes public awareness and participation with regard to siting, inmate expansion, and capital improvements of correctional facilities. My interest in this measure stem from the concerns of my constituents, as the Halawa Correctional Facility is within the 33rd district. While the "not-in-my-backyard" concerns will most always exist for any correctional facility in any community, the recent news of a proposal to expand the Halawa facility made it more apparent to me, more than ever before, that notification to the affected community is essential to encourage public participation, proper education and ultimate acceptance by the residents.

"Based on previous discussions with the Director of Public Safety, I was advised of a proposal by a private developer to expand the Halawa Correctional Facility to relocate approximately 1,000 inmates currently housed at the Oahu Community Correctional Center (OCCC). I was further advised that a reason for this relocation is that OCCC has limited ability to properly contain inmates, making escapes more prevalent because it is located in an urban center of Kalihi, inconsistent with the surrounding community.

Moreover, to avoid the potential of court action for overcrowding at OCCC, the Administration is supporting this proposed expansion at Halawa, and anticipates that the Request for Proposal process will be completed by this summer.

"I can acknowledge why Halawa is a good location – there has been a low rate of escapes since Halawa first opened in 1998. I can also acknowledge that Halawa is one of the more remote areas within reasonable proximity to urban Honolulu, for transportation to the courts. However, I am concerned about this project because of any potential surprise to any resident in my district, for anyone in my district who missed an opportunity to voice their concerns, and especially with any potential impact upon the community in general.

"H.B. 2382 addresses these concerns – it requires notification and public comment during the site selection process for any new or expanded correctional facilities within the State. As a growing number of problems arise with regards to prison overcrowding, as well as the difficulties faced by OCCC being in the center of the Kalihi area, new prison sites or expansion of existing sites may be inevitable. H.B. 2382 may be viewed as a positive step to prevent unfair surprise to the community as well as to rectify community concerns. Requiring the governor to provide public notice and to accept public comments with regards to the site selection and expansion processes encourages public participation and provides a workable solution to the growing correctional industry."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2382, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 4-02 and H.B. No. 2527, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2527, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SAFETY INSPECTION FREQUENCIES FOR REGULATED EQUIPMENT," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 5-02 and H.B. No. 1942, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1942, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Abinsay rose to speak in support of the measure, stating:

"Mr. Speaker, I stand in strong support of this measure. The year 2006 will mark the 100th Anniversary of the first arrival of the Filipinos to Hawaii. The purpose of H.B. 1942, SD 1, CD 1, is to establish the Filipino Centennial Celebration Commission, which shall take charge of all arrangements to commemorate the 100th anniversary of the first arrival of Filipinos to Hawaii.

"As history would tell us, the American colonial occupation of the Philippines gave way to Filipino migration to the United States. During those periods, there were two types of Filipinos. One was the educated, wealthy class of Filipinos who came as scholars to further their education and training. Most of them went to eastern part of the United States. The second were poor Filipinos who came as cheap laborers to California farms, the Alaskan fishing industry and the sugar and pineapple plantations in Hawaii. While most scholars went back to the

Philippines after several years of schooling, most of the laborers eventually stayed and made America their new homeland. The collective experiences of these Filipino migrants, both the scholars and the laborers, constitute the early history of Filipino Americans.

"Here in Hawaii, as you know, during the first half of the 20th Century, Hawaii's economy thrived on agriculture. Sugar and pineapple industries demanded a constant supply of labor to support their vast plantations. To sustain this demand, the Hawaiian Sugar Planters Association, HSPA, conducted labor recruitment in the Philippines. The HSPA set up recruitment centers mostly in Vigan, Ilocos Sur, in Northern Luzon, and Cebu in the Visayan Islands. In 1906, fifteen Filipino laborers arrived in Hawaii, marking the first Filipino labor migration in the Hawaiian Islands. They were called the *sakadas*.

"The exodus of Filipinos to Hawaii had begun. In 1907, 150 Filipino laborers arrived, followed by 639 in 1909, and by 1910, there were 2,915 Filipinos working in sugar and pineapple plantations throughout Hawaii.

"During 1911 to 1920, an estimated 3,000 Filipino workers arrived yearly so that by 1919, Filipinos represented 22.9% of the total plantation labor force, second only to Japanese workers which at that time represented 54.7% of the total plantation labor force. A steady flow of Filipino laborers arriving in Hawaii continued so that by the 1930s, Filipinos had replaced the Japanese as the largest ethnic group working in Hawaiian plantations.

"In 1946, Hawaii was granted an exemption to immigration laws, giving Hawaii plantations the right to import Filipino labor to fill the shortage after the war. Around 6,000 men, 446 women, and 915 children came as *sakadas*. They were called '*sakada* 1946.' They were the last major organized labor migration to the U.S. in post-wartime.

"Recently, I was asked to comment on the meaning of the Filipino Centennial in Hawaii. As I pondered on this my thoughts went back to those who came in the early 1900s. They came from rural areas in the Philippines, many of them uneducated, and all of them were poor. I think about what it must have been like for them, arriving in Hawaii alone, without their families, hampered by language and cultural differences, and most of all faced with the long hours of back-breaking hard labor. But they came determined to find a better life for their children and their children's children. We hear their stories we learn of their sacrifices and personal triumphs and their collective experiences have contributed to the richness of Hawaii's people and culture.

Representative Cabrerros rose to yield his time, and the Chair "so ordered."

Representative Abinsay continued, stating:

"Thank you, Mr. Speaker. But most significantly, it paved the way for the new generation of Filipino Americans I see emerging today. And Mr. Speaker, I am humbled to stand here and know that I am a product of those struggles and sacrifices. To me, they are my heroes. I hope you will join me in honoring their memories. Thank you."

Representative Magaoay rose in support of the measure and asked that his written remarks be inserted in the Journal, and that the remarks of Representative Abinsay be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Magaoay's written remarks are as follows:

"Mr. Speaker, I rise in strong support of H.B. 1942.

"As a child, born and raised in Waialua Sugar Company plantation camp and a first generation Hawaii born Filipino, I used to hear of my father's hardship of the hard work and great sacrifices that my father and Filipino fathers alike had to endure. I recall stories on how my father left the Philippines as a young man, not knowing what opportunities were in store for him, labored the fields of the sugar plantation; went back to the Philippines to marry my mom and eventually started a family in Hawaii. My story and the stories about other fathers leaving their motherland who came to Hawaii for a better life is similar to those other hundreds of young men who did the same.

"Now nearing 100 years of Filipinos in Hawaii, I am proud to be part of that heritage and it is with honor as a Filipino Legislator to help foster, promote and continue their legacy in this great State of Hawaii, we all call home. Although my father is not with me today, I am sure that his spirit will always be part of me, as we also honor those fathers past and present. May their humility, sacrifice, and dedication be forever honored throughout eternity. Therefore, I stand in strong support of H.B. 1942 and encourage my colleagues to support this bill. Thank you, Mr. Speaker."

Representative Espero rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. One hundred years of survival, participation and influence is a significant milestone to celebrate and honor. From the early sakadas; to Angela Baraquio, our Miss America; to Ben Cayetano, the first Governor of Filipino ancestry in the United States of America. We Americans of Filipino ancestry are proud and privileged to be a part of this special place we call Hawaii. H.B. 1942 honors the struggles and challenges we Filipino Americans have endured, and the triumphs we have accomplished to date. Salamat po to all my colleagues for your support of this legislation today. Thank you, Mr. Speaker."

Representative Pendleton rose in support of the measure and asked that his written remarks be inserted in the Journal, and that the remarks of Representative Abinsay be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill number 1942, Senate Draft 1, Conference Draft 1, which establishes a commission to celebrate the one-hundredth anniversary of the arrival of Filipinos to Hawaii. The Filipino community brings hard work and rich cultural influences to the islands. They have not only contributed to the history and culture of Hawaii, but to the history of the United States as well."

"In the early 1900's Filipino workers, particularly from Ilocos Sur, Iloilo, and Cavite, came to work on the sugar cane plantations of Hawaii. In doing so, they were also seeking out a better life. Most took low-paying jobs in the agriculture and food service industries. Many were not planning on residing permanently in the United States. They sought to make enough money to obtain "wealth" status in the Philippines and return home. However, with such low paying jobs, most were unable to return."

"Filipinos contributed to World War II, fighting against the Japanese in the name of freedom. These Filipinos fought, bled, and died furthering the interests of the United States and under unique circumstances where for all practical purposes they were fighting for the United States. They numbered almost 200,000 and fought under American military commanders who

led them to believe they would participate in and receive equal military benefits. They placed themselves in harms way for the cause and purpose of the United States. Even so, they were still denied the privileges and benefits due to them by the American government."

"Filipinos have made their contributions to Hawaii and the United States as authors, politicians, and actors. They have come to the United States as doctors, lawyers, nurses, engineers, and seamen in the United States Navy. Their contributions to society should be celebrated and lauded."

"Although I am one-half Caucasian and one-half Filipino, I am 100% Filipino at heart and I embrace and cherish my roots. The Filipino culture is more than a dish of pancit or a plate of lumpia. It is a culture of genuine warmth and affection, a culture of strong ties and family bonds, and a culture full of love and respect for mankind."

"I have raised my family with these values and traditions. It is important that I instill in my children a love for their cultural heritage and a deep respect for those Filipinos who chartered their way in Hawaii and made life easier for those of us second, third, and fourth generation Filipinos. It is important that my children know who they are and have a full understanding and appreciation for their roots."

"As I see it, Mr. Speaker, this bill is a necessary one. The time to celebrate and honor this culture is long overdue in Hawaii and it is important that it is not overlooked on such an important occasion. This bill establishes a commission to plan a celebration of the centennial anniversary of the arrival of the first Filipinos to Hawaii. This festival will contribute significantly to Hawaii by bringing awareness to the Filipino culture, a culture that at times remains hidden in the shadows of other Asian cultures and American culture."

"As a state infused with numerous cultures, it becomes increasingly important that none of these cultures is overlooked. In order to promote tolerance and unity, we must understand each other's cultures. This commission will serve as mechanism to show the true meaning of the Filipino culture. They will promote projects, programs, and activities that show how the Filipino people have been and continue to be a positive influence in the State of Hawaii."

"So for these reasons, Mr. Speaker, I support the motion and whole-heartedly support this bill, which will have the effect of celebrating a rich and diverse culture in the State of Hawaii. I thank you."

Representative Garcia rose in support of the measure and asked that the remarks of Representatives Abinsay and Espero be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1942, SD 1, CD 1, entitled: "A BILL FOR AN ACT ESTABLISHING A COMMISSION TO CELEBRATE THE ONE-HUNDREDTH ANNIVERSARY OF THE ARRIVAL OF FILIPINOS TO HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 6-02 and H.B. No. 1758, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1758, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC

ABUSE," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

Conf. Com. Rep. No. 7-02 and H.B. No. 2305, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2305, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM PROBATE CODE," passed Final Reading by a vote of 50 ayes, with Representative Bukoski being excused.

The Chair directed the Clerk to note that H.B. No. 2848, HD 1, SD 2, CD 1; H.B. No. 2166, HD 1, SD 2, CD 1; H.B. No. 1012, SD 1, CD 1; H.B. No. 2382, HD 1, SD 2, CD 1; H.B. No. 2527, SD 1, CD 1; H.B. No. 1942, SD 1, CD 1; H.B. No. 1758, HD 1, SD 1, CD 1; and H.B. No. 2305, HD 1, SD 1, CD 1; passed Final Reading at 2:30 p.m.

Conf. Com. Rep. No. 8-02 and H.B. No. 2568, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2568, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COLLECTION OF TAXES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 9-02 and H.B. No. 2002, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2002, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 10-02 and H.B. No. 2536, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2536, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SECTION 17 OF ACT 85, SESSION LAWS OF HAWAII 1999," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 11-02 and H.B. No. 1724, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1724, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL NUMBER PLATES FOR MILITARY SERVICE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 12-02 and H.B. No. 2577, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2577, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DEVELOPMENT OF PUBLIC LANDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 13-02 and H.B. No. 1843, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee

was adopted and H.B. No. 1843, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Djou, Meyer, Rath and Stonebraker voting no.

Conf. Com. Rep. No. 14-02 and H.B. No. 2723, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2723, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Fox rose to speak in opposition to the measure, stating:

"This is the kind of thing that should be handled at the county level. The State should not be doing this. Thank you."

Representative Jaffe rose to speak in opposition to the measure, stating:

"This bill, which requires counties to establish a program for recycling food waste as part of their solid waste management plan, sounds like a good idea but the process hasn't worked that well in the past, and it isn't working now.

"There is a great deal of documented evidence that too many State and county health regulations are consistently being violated by waste processors. So until food waste recyclers can do their job better, it makes no sense to expand the practice. Furthermore Mr. Speaker, I believe that on principle, the State should completely leave this kind of waste management decisions to the counties. Thank you, Mr. Speaker."

Representative Auwae rose in opposition to the measure and asked that the remarks of Representative Jaffe be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Moses rose in opposition to the measure and asked that the remarks of Representative Jaffe be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2723, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Auwae, Djou, Fox, Gomes, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 15-02 and H.B. No. 2045, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2045, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REVENUE BONDS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. No. 2568, HD 1, SD 1, CD 1; H.B. No. 2002, SD 1, CD 1; H.B. No. 2536, SD 1, CD 1; H.B. No. 1724, SD 1, CD 1; H.B. No. 2577, HD 1, SD 1, CD 1; H.B. No. 1843, SD 1, CD 1; H.B. No. 2723, HD 2, SD 1, CD 1; and H.B. No. 2045, HD 1, SD 2, CD 1; passed Final Reading at 2:33 p.m.

Conf. Com. Rep. No. 16-02 and H.B. No. 870, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 870, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 48 ayes, with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 17-02 and H.B. No. 2443, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2443, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PREVENTION OF THE FILING OF FRIVOLOUS FINANCING STATEMENTS," passed Final Reading by a vote of 48 ayes, with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 19-02 and H.B. No. 1996, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1996, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

Mr. Speaker, Conference Committee Report No. 19, H.B. 1996, contains a good provision, which requires the percentages for annual payments to be reduced from 90% to 60%. But my opposition is in regards to the other portion of the bill, which requires individuals to pay estimated income taxes when income exceeds \$50,000 instead of a \$150,000. I believe that reduction and that threshold will capture too many people in the middle-class when the payment of estimated taxes was really supposed to be only addressing those who are wealthy. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1996, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMINISTRATION OF TAXES," passed Final Reading by a vote of 30 ayes to 18 noes, with Representatives Auwae, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Stonebraker, Thielen and Whalen voting no, and with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 20-02 and H.B. No. 223, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 223, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Takai rose to speak in support of the measure, stating:

"H.B. 223, CD 1, eliminates, finally, the Formulary Committee. Before I get into details of this bill, I do want to take this opportunity to thank Representative Arakaki, the Chairman of the Health Committee, and the Chairman of the Consumer Protection Committee, Representative Hiraki, for all the work that they've done over the past few years to ensure that this bill is on the Floor today.

"If we look at the history of our legislative colleagues on the mainland, 11 other states initially installed some form of formulary committee to determine what types of drugs

optometrist in their respective states could prescribe. And they, like us, have ultimately found that having that formulary committee adds one more hurdle to the already lengthy administrative process.

"A good example locally is that Hawaii optometrists are still forced to prescribe drugs from a book that is at least four years old, even though the Formulary Committee voted to take this restriction out over two years ago. Every other independent health profession in Hawaii is governed by their own State board, so why shouldn't Hawaii optometrists be allowed the same privilege? If there is any concern on this issue, we must remember that the State Board of Optometry is held to the same medical and legal rules and regulations as any other State board. And that their number one priority is to protect the public first. They can't allow anything that isn't already approved in their prescriptive law.

"As an extra safeguard, H.B. 223 CD 1, puts in place various restrictions that Hawaii optometrists must follow when prescribing certain medications. It is important to note that these restrictions were taken directly from California's therapeutic law, a state that has the largest population of practicing optometrist in the nation. Additional safeguards on the use of topical steroidal agents and topical anti-viral agents can be found on pages two and three of this bill. Further safeguards agreed to by the Conferees prohibits optometrists from treating glaucoma, using prescription anti-viral, fungal injectables or oral agents, and performing any invasive surgery. I think the question ultimately comes down to this. What makes Hawaii optometrists less qualified than their colleagues on the mainland?

"Optometrists have been prescribing medication since 1976, and as of today, 46 states plus the District of Columbia allow optometrists the right to prescribe topical steroids. And 38 states, plus the District of Columbia and Guam allow optometrists some form of oral medications. And since 1992, there has not been one documented case of an optometrist being sued for malpractice for therapeutic management.

"It is time for us to grant the people of Hawaii freedom of choice, as well as access to comparable eye care to those on the mainland. And I believe that this bill finally does that after ten years of hard work by this side of the Legislature. I believe we have succeeded and I urge my colleagues to support this bill. I believe that this issue is, as Representative Arakaki has said many times, 'crystal clear', and I hope that all my colleagues can see very clearly that this bill will benefit all of us in Hawaii. Thank you, Mr. Speaker."

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I would like to speak in favor of the measure.

"Mr. Speaker, passage of this measure would allow Certified Optometrists to use and prescribe pharmaceutical agents, to repeal the Joint Formulary Advisory Committee and to transfer responsibility for formulary selection to the Board of Examiners in Optometry. The bill will also prohibit optometrists from using anti-fungal, injectable, or oral agents, by establishing a list of topically applied pharmaceutical agents to be used under certain restrictions, including consultation with an ophthalmologist if the patient's conditions does not improve within 72 hours.

"All 50 States have now recognized the authority of optometrists to use and prescribe drugs. Thirty-eight states allow the use of oral drugs.

Mr. Speaker, the profession of optometry is a respected and safe one. There is no history or evidence to show that optometrists in Hawaii are less qualified to prescribe than those in other States. Why, this very body gave prescriptive power to physicians assistants who are far less highly educated and who have the power even to prescribe narcotics.

"Some may say prescriptive power is under a physician's supervision, but everyone knows that doesn't always happen---especially when one lives in such places as Ka'u or Hana. For the most part, the battle between the professions related to prescriptive power is over turf and economics. As Legislators, we should stay out of that and look at the facts. The facts speak for themselves.

"I urge the members to support this bill. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 223, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OPTOMETRY," passed Final Reading by a vote of 42 ayes to 6 noes, with Representatives Auwae, Bukoski, Halford, Meyer, Pendleton and Thielen voting no, and with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 21-02 and H.B. No. 741, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and that H.B. 741, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL LIABILITY," passed Final Reading by a vote of 48 ayes, and with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 22-02 and H.B. No. 2120, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2120, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CHILD-CUSTODY JURISDICTION AND ENFORCEMENT ACT," passed Final Reading by a vote of 48 ayes, with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 23-02 and H.B. No. 2315, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2315, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OBSTRUCTION OF INGRESS OR EGRESS," passed Final Reading by a vote of 48 ayes, with Representatives Kahikina, Rath and Takamine being excused.

Conf. Com. Rep. No. 24-02 and H.B. No. 2427, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2427, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VICTIMS OF CRIMES," passed Final Reading by a vote of 48 ayes, with Representatives Kahikina, Rath and Takamine being excused.

The Chair directed the Clerk to note that H.B. No. 870, SD 1, CD 1; H.B. No. 2443, HD 2, SD 1, CD 1; H.B. No. 1996, SD 1, CD 1; H.B. No. 223, HD 1, SD 2, CD 1; H.B. No. 741, HD 1, SD 1, CD 1; H.B. No. 2120, HD 1, SD 1, CD 1; H.B. No. 2315, HD 1, SD 1, CD 1; and H.B. No. 2427, HD 1, SD 1, CD 1; passed Final Reading at 2:41 p.m.

LATE INTRODUCTION

The following introductions was made to the members of the House:

Representative Halford introduced his mother, Mrs. Nancy Halford.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 25-02 and H.B. No. 2438, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2438, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTITY," passed Final Reading by a vote of 50 ayes, with Representative Schatz being excused.

Conf. Com. Rep. No. 26-02 and H.B. No. 2817, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2817, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII RULES OF EVIDENCE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Jaffe voting no, and with Representative Schatz being excused.

Conf. Com. Rep. No. 27-02 and H.B. No. 1749, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1749, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Espero rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. H.B. 1749 is the product of a tragedy where a care home operator was killed by a deranged client. If this bill had been in place, the care home operator may be alive today. This legislation will provide protection to care home operators, their family members and their clients. It will improve the care home industry, an important industry which will play a valuable role in the issue of long-term care. I urge all my colleagues to support this legislation since one day, we ourselves, may be clients in a care home facility. Thank you for your support."

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'd like to enter into the Journal a dedication of this bill to the late Mrs. Agapita Alcaez, specifically, who was the victim of a violent act, as the speaker from Ewa mentioned. In general, I think we would like to dedicate this to all of our home care operators who undergo this type of risk and danger in their daily encounters with their care home residents.

"I also want to thank the members of the Filipino Caucus for their steadfast support of this measure. It is no mistake that over 80% of those who are care home operators are of Filipino ancestry and I think it reflects on their caring and compassion and willingness to open their homes to total strangers, even to the point of inviting danger to themselves and to their families. Not only is the operator held responsible for the care and protection of their residents, but by opening their homes to those in need, they, their families and their homes are exposed to possible harm from those whom they care for and who they are supposed to protect. And while deaths of care home operators are acknowledged to be rare, it is not uncommon for caregivers and their family members to be physically assaulted or their homes and property damaged. You know, criminal charges are seldom filed by the care home operators because they understand that it is the nature of the clientele that they care for that they face such risks.

"So I think we really need to 'tip our hats' to our care home operators because they provide loving and compassionate care in a home-like setting. And I think that is something that we all want for our family members. And not only that, they provide it at cost which is much less expensive than if they were in a nursing home. So I hope that I can speak for all of us in saying that we really salute the care home operators and the services they provide to the people of Hawaii. Thank you, Mr. Speaker."

Representative Kahikina rose to speak in support of the measure and asked that the remarks of Representatives Espero and Arakaki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Kahikina continued, stating:

"I would also like to offer my personal thank you to Representative Espero for introducing such a bill."

Representative Pendleton rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill number 1749, House Draft 1, Senate Draft 1, Conference Draft 1, which requires the Department of Health to disclose to adult residential care home operators the prior criminal history of certain prospective residents under certain circumstances."

"First, Mr. Speaker, I wish to state my support for adult residential care homes. I feel they are a necessary and integral part of long-term care as they provide an intermediary place for persons not needing the attention of a nursing home, but still requiring some assistance in the daily tasks performed.

"Adult residential care homes provide a cost-effective alternative to nursing homes. Because they do not need to provide extreme medical treatments, they are available to offer social and daily services to those patients placed in their care. The staff in these homes are trained to perform basic caregiving skills, although they do not have such extensive training as those who work in nursing homes.

"As you can see, Mr. Speaker, in no way do I suggest that adult residential care homes be closed down or their programs drastically altered. I do, however, express concern for those employed at these care homes. As patients have a right to safety and overall security, so do the caregivers.

"One of the operators from a State adult residential care home was recently killed in September 2000 by a patient who

had been conditionally released from a State hospital after being 'acquitted of murder and attempted murder' due to insanity. This incident might have been prevented if the care home had known the criminal history of the patient.

"Right now, more than half of the states in the Union have laws requiring employees to go through criminal background checks. We protect our patients, but yet we do not protect our employees. Shouldn't we give our adult residential care home operators access to information that could perhaps save their lives and the lives of those residing there?"

"This proposed bill does not infringe on the privacy of patients. It protects the operators from unknowingly putting themselves at risk. The terms of this bill are solely for the operators' safety, not to discriminate against patients being placed in adult residential care homes. It also protects others residing there.

"Mr. Speaker, the elderly population of the State of Hawaii is beginning to grow. The biggest growth will begin in 2010 when the 'baby boomer' generation reaches the age of 65. As of now, our state is ill equipped to support these changes in the population. It is imperative that we establish guidelines now, while we can implement them on a smaller population. We should not wait until a problem becomes uncontrollable to begin working on solutions. Efforts should be made now to address any possible problems beforehand.

"So for these reasons, Mr. Speaker, I support House Bill 1749, House Draft 2, Senate Draft 1, Conference Draft 1, which would have the effect of providing adult residential care home employees information for their security and that of those residing there. I urge my colleagues to support this bill. And I thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1749, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," passed Final Reading by a vote of 50 ayes, and with Representative Schatz being excused.

Conf. Com. Rep. No. 28-02 and H.B. No. 2521, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2521, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROL OF DISEASE," passed Final Reading by a vote of 50 ayes, with Representative Schatz being excused.

Conf. Com. Rep. No. 29-02 and H.B. No. 1730, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1730, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEE," passed Final Reading by a vote of 41 ayes to 9 noes, with Representatives Djou, Fox, Gomes, Halford, Moses, Ontai, Rath, Stonebraker and Whalen voting no, and with Representative Schatz being excused.

Conf. Com. Rep. No. 30-02 and H.B. No. 1731, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1731, HD 2, SD 1, CD 1, entitled:

"A BILL FOR AN ACT RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEES," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Djou, Gomes, Halford and Stonebraker voting no, and with Representative Schatz being excused.

Conf. Com. Rep. No. 31-02 and H.B. No. 2302, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2302, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVERS' LICENSES," passed Final Reading by a vote of 50 ayes, and with Representative Schatz being excused.

Conf. Com. Rep. No. 32-02 and H.B. No. 2509, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2509, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES," passed Final Reading by a vote of 50 ayes, with Representative Schatz being excused.

The Chair directed the Clerk to note that H.B. No. 2438, HD 1, SD 1, CD 1; H.B. No. 2817, HD 1, SD 1, CD 1; H.B. No. 1749, HD 2, SD 1, CD 1; H.B. No. 2521, HD 2, SD 2, CD 1; H.B. No. 1730, HD 1, SD 1, CD 1; H.B. No. 1731, HD 2, SD 1, CD 1; H.B. No. 2302, HD 2, SD 1, CD 1; and H.B. No. 2509, HD 1, SD 1, CD 1; passed Final Reading at 2:48 o'clock p.m.

At this time, the Chair announced that Conf. Com. Rep. No. 38-02 and H.B. No. 2506, HD 1, SD 1, CD 1 would be taken out of order.

Conf. Com. Rep. No. 38-02 and H.B. No. 2506, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee and H.B. No. 2506, HD 1, SD 1, CD 1 be recommitted to the Committee on Conference, seconded by Representative Lee.

At 2:29 o'clock p.m., Representative Arakaki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:57 o'clock p.m.

At this time, Representative Fox called for the previous question.

The motion was put to vote by the Chair and carried, and the report of the Committee and H.B. No. 2506, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL STATISTICS," were recommitted to the Committee on Conference with Representatives Gomes, Hiraki, McDermott, Morita, Nakasone, Saiki, Souki, Stonebraker, Takai, Takumi and Yonamine being excused.

Conf. Com. Rep. No. 33-02 and H.B. No. 1842, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1842, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I speak in support of this measure which allows pharmacists to perform clinical functions beyond a licensed pharmacy or licensed acute care facility, in collaboration with other healthcare professionals.

"This bill supports collaborative practice agreements that are physician-directed, to enhance patient care and safety while maintaining physician responsibility for continuous patient care. This bill acknowledges the increasing complexity of drug therapy being provided in multiple settings and the important role the pharmacist plays to ensure appropriate use of drugs, to minimize adverse drug events, and reduce the cost of healthcare.

"Pharmacists are an important part of our healthcare system and their contribution to patient care and safety is great. The passage of this bill will move Hawaii into the company of 33 other states, which already recognize and permit the pharmacist to work as part of a healthcare team within their scope of practice, but beyond the physical limitations of the four walls of the pharmacy.

"In my professional work, I depend heavily upon pharmacists to give up-to-date information on new drugs and therapies. It will increase patient safety and go a long way to decrease the cost of drugs in the long-term. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1842, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRACTICE OF PHARMACY," passed Final Reading by a vote of 48 ayes to 1 no, with Representative McDermott voting no, and with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 34-02 and H.B. No. 1901, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1901, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Marumoto rose to speak in support of the measure, stating:

"Thank you. I rise to speak in favor of Conference Report 34, HIV testing for sexual offenses. On behalf of the Women's Caucus, thank you to those who are intending to vote to support this bill to allow the victims of sexual assault, child abuse and incest to request a judge to order, if there is a showing of probable cause, a test for HIV of the accused person. There are provisions in this measure to guard the constitutional rights of the accused and ensure confidentiality of the results. Although we now allow testing after conviction, this bill will allow a test before conviction.

"This is important because not all cases are prosecuted. Not all defendants are found guilty of these offenses, and often cases are pleaded down to simple assault. For every 100 cases of sexual assault, only about 10 are reported. And of the 10, only about 4 are prosecuted. And of the 4 that we know, not all result in conviction.

"The Sexual Assault Treatment Center testified in favor of this saying that one of the most frequent concerns expressed by the victim at the time of the assault exam, is his or her fear of contracting a sexually transmitted disease, especially infection with HIV.

"The Hawaii Coalition Against Sexual Assault testified in Committee saying: 'We have been before you for many years to urge the rights of victims and have not succeeded. We hope that this Session, you will consider the awful consequences that exist for victims of sexual assault and incest, first due to the physical and mental trauma of the assault, and second, the long-lasting trauma that lingers over not knowing if they have been infected with HIV. We can easily alleviate this circumstance. Passage of this bill will be a significant first step.'

"From the Kapiolani Medical Center: 'The lengthy incubation of HIV means that the victim has to wait up to 6 months for any kind of solid indication that he or she has not been infected. This lengthy wait is unnecessary and additionally damaging to an already traumatized victim.'

"The Prosecuting Attorney said, 'We support the right of a victim to be notified when the defendant who commits the sexual assault tests positive for HIV, ARC, or AIDS. Rapists do not generally use condoms or follow recommended safe-sex guidelines. Victims often suffer extraordinary psychological trauma. Many of these victims develop post-traumatic stress syndrome that can last for years.'

"The Police Department testified in favor of this measure as did the Hawaii Medical Association. The Hawaii Nurses Association was very supportive of this bill that allows court orders for HIV testing of those charged with sexual assault, child abuse and incest.

"And finally the Child Welfare Services State Advisory Council stated they strongly support this bill. 'Sixty percent of all victims of sexual assault in our State are under the age of 18 and most do not receive medical examinations. Additionally, most child molesters have numerous unreported and unidentified victims. If we can proactively identify children at risk for HIV infection by testing the perpetrators, we will then have the opportunity to aggressively contact...'

Representative Leong rose to yield her time, and the Chair "so ordered."

Representative Marumoto continued, stating:

"Thank you very much. I'll use about 20 seconds of it. 'If we can proactively identify children at risk for HIV infection by testing the perpetrators, we will then have the opportunity to aggressively contact all of the children with whom he or she may have had contact with to ascertain if they are at risk and require treatment. This bill should be seen as a public health prevention strategy. It provides early identification of victims at high risk of HIV infection so they can be treated and save the necessary illness, pain, and suffering.'

"Thank you, Mr. Speaker."

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I speak in strong support of this measure. Extensive research reveals that in addition to the long term and often lifetime physical and mental trauma of the sexual assaults, victims have an equally devastating and valid fear of contracting AIDS and other STD viruses from their attackers.

"Although we understand the privacy arguments that will be raised and know the concerns of mandating HIV testing with respect to the rights of the alleged offender, we must be vitally concerned with respecting the victims' rights as well. The first

step in ensuring victims' rights is to have attackers tested for HIV with results immediately provided to the victim.

"National women's studies reflect that nearly 50% of emergency room rape victims express intense fear related to sexually transmitted disease. This fear ranks nearly as high as the fear of a repeated attack by their perpetrators.

"Sexual assault causes grave consequences for survivors, including persistent fear, loss of self-esteem, relationship problems, social adjustment and sexual dysfunction. In addition, psychiatric symptoms can include depression, social phobia, obsessive-compulsive behavior and anxiety. The chronic psychological effects of sexual assault initially were described as the rape trauma syndrome and now are accepted as a special example of post-traumatic stress disorder. In addition, rape victims must cope with an additional extraordinary psychological burden -- fear of contracting life-threatening diseases, including the AIDS virus.

"Compounding this increased emotional distress is the reality that, in most cases, an offender will not be charged for at least six months. During this period, the trauma and danger grow and intensify within the victim.

"HIV is not like other STDs. This virus has a much longer incubation period than other STD viruses, and a positive result can take from 6-12 months. Furthermore, even when sex assault victims test negative, victims cannot be sure they are AIDS free because an individual who has AIDS or a related virus may not test positive for another six-month period.

"Mandating HIV testing of individuals charged with sexual assault and related offenses is the first step in allowing victims to regain control of their own lives. Benefits include the following, among others:

"Imposed testing would offer public health benefits. Survivors of the sexual assault do not exist in a vacuum. The emotional trauma of sexual assault, including the fears of STDs frequently is experienced by the persons closest to the survivor, particularly sexual partners. Victims often return to those relationships soon after the assault. One study found 37% of survivors had voluntary sexual intercourse 1 day to 5 months after the assault. Survivors may be pregnant or contemplating starting a family. Therefore, testing the accused would alert the victim to the possibility of infection and allow him to her to take precautions to prevent further transmission.

"The strongest case for imposed pre-conviction testing rests on the psychological benefits to the victim. The psychological well-being of the survivor of sexual assaults is a crucial part of his or her overall health and well-being. As previously mentioned, the psychological damage from sexual assault includes not only the trauma of the original assault, but also the rational fear of HIV infection. Moreover, the burden of anxiety persists for a substantial period of time. Without testing the accused, the survivor cannot rely on his or her infection status for 6 to 12 months after the assault. Consequently, with the increasing intensity of trauma, fear and uncertainty, it is impossible for the victim to begin the physical and psychological healing process.

"In conclusion, failure to mandate HIV testing for those charged with sexual assault not only deprives rape victims of their legal rights, but 'punishes' them. We are, in essence, sentencing survivors to a possible 'death penalty' by failing to provide life-saving medical treatments that are possible only through early detection.

"Consequently, we have no choice but to pass this measure. Thank you.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1901, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIV TESTING FOR SEXUAL OFFENSES," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 35-02 and H.B. No. 771, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 771, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative B. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative B. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure as it moves us towards restoring people's faith in government. I had authored and introduced House Bill 2841 along with the House Majority, which are the provisions now found in House Bill 771. However, due to a drafting error in the Senate, House Bill 2841 had been improperly incorporated into Senate Bill 2431. Therefore, with the permission of the House and Senate Leadership, House Bill 771 was allowed to be used as a vehicle to advance this important measure.

"As a newly elected member to the Legislature, holding my first position as a public official, I was personally disturbed by the actions and decisions of former City and County of Honolulu Council member, Andy Mirikitani. Whereas, I had always believed that a calling to public service was a noble and rewarding endeavor, his actions undermined that belief.

"Moreover, I believe that the public has likewise felt affronted by the circumstances and to alleviate the growing apathy and mistrust of the public towards elected officials, I authored the language originating in House Bill 2841, as a small attempt towards restoring people's faith in government. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 771, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Final Reading by a vote of 49 ayes, and with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 36-02 and H.B. No. 2426, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2426, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMES AGAINST CHILDREN," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 37-02 and H.B. No. 2065, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2065, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure.

"H.B. 2065, HD1, SD1, CD1 would modify the way in which the professional activities of advanced practice registered nurses (APRN) or nurse practitioners are regulated.

"For those of my colleagues who do not have medical backgrounds, an APRN is a registered nurse who has gone on for an advanced degree in nursing, usually a Masters or Doctorate. In addition, APRNs must pass a national certification examination. Education and certification are available in specialty areas such as Women's Health/OB-GYN, Neonatal, Pediatrics, Family Gerontology and Acute Nursing.

"APRNs have the authority to write prescription in Hawaii and in every other state. However, the list of drugs or formulary which an APRN can prescribe from is generally more limited than the formulary utilized by the MD.

"APRNs are educated and licensed to diagnose, treat, and manage common health problems and chronic conditions within their specialty areas. It has been estimated that APRNs can effectively manage 80% of the conditions for which patients seek medical treatment. However, like MD's if a patient has an ailment that the APRN, in his/her professional judgment, requires treatment beyond the APRNs competency, the APRN will refer the patient to a doctor, either a general practitioner or a specialist.

"At present, APRNs in Hawaii are regulated by three separate entities. The Board of Nursing grants recognition to APRNs and oversees their practices including any necessary professional discipline. The Department of Commerce and Consumer Affairs grants authority to prescribe medications. Finally, the Board of Medical Examiners is responsible for establishing the list of drugs (formulary) that APRNs are authorized to prescribe. Hawaii is the only state in the Union that divides oversight of APRNs in this splintered manner.

"H.B. 2065, HD 1, SD 1, CD 1, rationalized this overly complicated system. This bill centralizes authority over APRN practice under the Board of Nursing, requiring the DCCA to establish a Joint Formulary Committee to recommend applicable formularies and requiring the Board of Medical Examiners to consider the recommendations of the Joint Formulary Advisory Committee in adopting the formulary. The bill also transfers prescriptive authority to the Board of Nursing until such time as the rules and regulations may be revised.

"To ensure that a broad range of medical opinion is included in the Board of Nursing's decisions regarding medications to be included on the APRN formulary, H.B. 2065, HD1, SD1, CD1 will create an advisory committee, composed of three pharmacists, two physicians appointed by the Board of Medical Examiners, a representative of the school of medicine, two advanced practice registered nurses. And a representative from a school of nursing with an APRN program. This advisory committee will add an extra protection that APRNs will not prescribe drugs for which they do not have the requisite training.

"The primary protection is their professional training which requires that APRNs refer any patient to an MD that they believe needs more specialized care, and is very similar to an MD's responsibility to refer patients to specialists if the MD believes his /her patient needs specialist care.

"H.B. 2065, HD1, SD1, CD1 will also enable APRNs to be utilized to their fullest potential while protecting the interests of

patients. I urge my colleagues to support this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2065, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NURSES," passed Final Reading by a vote of 45 ayes to 4 noes, with Representatives Bukoski, McDermott, Moses and Stonebraker voting no, with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 39-02 and H.B. No. 2741, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2741, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of the tobacco tax increase but must first declare a potential conflict of interest. I am a member of the board of the Central Oahu unit of the American Cancer Society.

"Mr. Speaker, this bill is a 'sin tax' that raises needed revenue for the State. But unlike many other taxes this Body could impose, the cigarette and tobacco tax has the added benefit of curbing teen smoking and as such, should be viewed as an anti-smoking measure.

"In Hawaii, smoking is a big problem that needs to be addressed from many angles, including a tax hike. About 20 percent of adult men and 17 percent of adult women in Hawaii are current smokers.

"Even more disturbing are statistics for teen smokers. Over the past ten years, the number of kids under the age of 18 who smoke daily has reached an historic high of 70 percent. That means that more than 4,000 kids under 18 become daily smokers each year in Hawaii. Among high school students, 29 percent of female students and 27 percent of male students are current smokers.

"Mr. Speaker, for more than 15 years, economic research studies have consistently documented the cold, hard cause-and-effect that shows cigarette price increases reduce smoking, especially among young people. These studies currently conclude that every 10 percent increase in the price of a pack of cigarettes reduces the total amount of adult smoking by about 4 percent, and reduces teen smoking by about 7 percent.

"In California for example, the cigarette tax was hiked by a whopping 50 cents per pack in 1999, bringing the tax to 87 cents per pack. That hike brought the State \$555.4 million in additional revenues, but at the same time, drastically reduced the cigarette consumption by 18.9 percent at a time when the rate nationwide declined only 6.6 percent.

"Even the big tobacco companies know that cigarette tax increases hurt their sales. Internal tobacco industry documents made public during the tobacco lawsuit over the past few years, have documented this effect. No wonder the big tobacco companies spend millions of dollars each year to oppose proposed cigarette tax hikes. Often their hired lobbyists come before legislative hearings to argue that cigarette tax increases will not reduce smoking. But their internal memos and company documents show that they know otherwise.

"Mr. Speaker, H.B. 2742 is what it is: a sin tax that will serve the twin social services of helping the State budget while reducing smoking and the costly associated health risks."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2741, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CIGARETTE AND TOBACCO TAX," passed Final Reading by a vote of 32 ayes to 17 noes, with Representatives Ahu Isa, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Rath, Stonebraker and Whalen voting no, Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 40-02 and H.B. No. 202, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 202, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Thielen rose to speak in opposition to the measure stating:

"Mr. Speaker, I am concerned about mental health parity because I think it would do more harm than good. Our current mental health system is based on a tragically flawed understanding of the nature of child and family psychological distress. Children's mental health parity could be harmed by lending support to a corrupt and flawed way of putting labels on children and setting them up for harmful treatment. The labels lock people into medicalized ways of responding to what are essentially emotional and relationship problems.

"Legislatures and the media are told that mental disorders are equivalent to physical diseases even though they cannot be defined nor in many cases, distinguished from normalcy. This lack of science declares 'open season' on the wallets of patients, their insurance carriers and the taxpayers that fund Medicare and Medicaid. By being unable to define mental illness and then publishing hundreds of pages of billable practices and treatment modalities, insurance carriers, both public and private, find themselves entirely subject to the diagnostic whim of those whose interest it is to find and treat the so-called 'disease.' Or as stated in our Conference Committee Report, there is a 'culture of profit by private providers and contractors.'

"Under HRS 431M-1, the term 'mental illness' is defined as including the definitions identified in the most recent publication of the *Diagnostic and Statistical Manual* of the American Psychiatric Association or the international classification of the disease. The *Diagnostic and Statistical Manual of Mental Disorders* is the book in which psychiatrists list and categorized so-called 'mental illness.' This is the official manual from which they bill private insurance companies and governments.

"Mr. Speaker, does your 10 year-old dislike doing math homework? Better get that 10 year-old to the nearest couch because he or she has number 315.4, developmental arithmetic disorder.

"Maybe you are a teenager who argues with your parents. Oh, oh. Better get some medication because you've got number 313.8, oppositional defiant disorder.

"Do you experience the fatigue, indigestion, sleeping problems, or general malaise that disrupts the first few days in a new time zone? You could be suffering from desynchronization or jet lag syndrome.

"And consider the following diagnosis from the DSMICD: speech articulation disorder, spelling disorder, written expression disorder, nicotine use or withdrawal, caffeine intoxication withdrawal, and sibling rivalry disorder.

"Then there is the all-encompassing related disorder requiring clinical attention called 'phase-of-life' problems. The editors at the American Psychiatric Association state in the DSM II, the third edition of the book in 1980, that there is no satisfactory definition that specifies precise boundaries for the concept 'mental disorder.' At the present time however there is no consensus as how to define neurosis. Given that there are essentially no biological tests for these disorders, and neither the causes nor the cures are known, the psychiatric industry has effectively hindered efforts to objectively monitor its activities. The industry has declared its field unknowable, its practices unmeasurable and its results indistinguishable. Yet it lobbies for insurance reimbursement on a parity with clinical medicine and that hits the taxpayers pockets.

"The way this H.B. 202 is written, it could cover more than 300 plus disorders listed in the DSM IV. Even the U.S. Congress is engaged in heated debate about..."

Representative Davis rose to yield his time, and the Chair "so ordered."

Representative Thielen continued, stating:

"Thank you very much. Even the Congress is engaged in heated debate about whether their version of mental health parity legislation should cover these more than 300 plus disorders listed in the DSM as proposed, or only the major actual diseases such as schizophrenia and bi-polar disorder. The White House is believed to favor the later more narrow definition.

"And relating to psychiatric fraud Mr. Speaker, although only 8% of physicians are psychiatrists, 18% of the doctors suspended from Medicare and Medicaid programs for acts of fraud and abuse are psychiatrists. According to a 15 year study sponsored by the Department of Justice, psychiatrists were suspended from Medicare and Medicaid at a rate which is more than twice their number. And this was presented to the Senate Committee in 1995 by the former Director of the FBI.

"In relating to increased costs Mr. Speaker, I understand that this measure excludes coverage of mental illness services for minors eligible for these services under the Felix Consent Decree. However forcing insurance companies or employers to expand their coverage, and then requiring consumers to pay for the additional coverage for the others will increase costs, notwithstanding what HMSA has surmised. A study conducted by the educational foundation of the 60,000 member National Federation of Independent Businesses has also shown that existing state benefit mandates can increase premiums by up to 20%. This is not a harmless bill or a no-cost impact bill, Mr. Speaker.

"A 1985 study conducted by the Health Insurance Association of America examined the effects of mandated benefits or premiums in the state of Maryland. The study estimated the 26 mandated benefits increase the price of individual coverage by 12%, and the price of family coverage by 17%.

"Mr. Speaker, we must stop passing legislation that creates a 'money pot' for providers to dip into and then to end up prescribing addictive behavioral-control drugs for our children. I strongly urge my colleagues to vote no on H.B. 202. Thank you."

Representative Stonebraker rose in opposition to the measure and asked that the remarks of Representative Thielen be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Meyer rose to speak in support of the measure with reservations, stating:

"I rise in support with some troubling reservations. While I believe it is appropriate to give young people the help they need early to forestall more serious problems down the road, I am worried about the utilization, and that this law might create further pressure on driving healthcare costs up. That is a concern. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 202, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 44 ayes to 5 noes, with Representatives Djou, Gomes, Ontai, Stonebraker and Thielen voting no, Representatives Souki and Takumi being excused.

The Chair directed the Clerk to note that H.B. No. 1842, HD 1, SD 2, CD 1; H.B. No. 1901, HD 2, SD 1, CD 1; H.B. No. 771, HD 1, SD 1, CD 1; H.B. No. 2426, HD 1, SD 1, CD 1; H.B. No. 2065, HD 1, SD 1, CD 1; H.B. No. 2741, HD 2, SD 2, CD 1; and H.B. No. 202, HD 1, SD 2, CD 1; passed Final Reading at 3:16 p.m.

Conf. Com. Rep. No. 41-02 and H.B. No. 1713, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1713, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Espero rose to speak in support of the measure, stating:

"H.B. 1713 is an important bill for the thousands of residents who are condominium and apartment owners. This bill is a pro-consumer measure which requires associations and boards to notify homeowners before billing them under certain circumstances. This will save homeowners hundreds of dollars in fees otherwise not expected. It also allows homeowners to change their minds if they don't want to be billed by their associations. This legislation is a significant and much-needed amendment to the condominium and property regime. I urge all of my colleagues to support it. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1713, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Final Reading by a vote of 48 ayes, with Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 42-02 and H.B. No. 1715, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1715, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Final Reading by a vote of 48 ayes, with Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 43-02 and H.B. No. 1716, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1716, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Final Reading by a vote of 48 ayes, with Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 44-02 and H.B. No. 2832, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2832, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING PLANS," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Hale and Morita voting no, Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 45-02 and H.B. No. 2843, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2843, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 48 ayes, with Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 46-02 and H.B. No. 2720, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2720, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE USE TAX," passed Final Reading by a vote of 37 ayes to 11 noes, with Representatives Djou, Fox, Gomes, Halford, Jaffe, Moses, Ontai, Rath, Stonebraker, Thielen and Whalen voting no, Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 47-02 and H.B. No. 2495, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2495, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES," passed Final Reading by a vote of 48 ayes, with Representatives Schatz, Souki and Takumi being excused.

Conf. Com. Rep. No. 49-02 and H.B. No. 2552, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2552, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEFINITION OF LANDOWNER FOR SAFE HARBOR AGREEMENTS AND HABITAT CONSERVATION PLANS," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Hale and Thielen voting no, and Representatives Schatz, Souki and Takumi being excused.

The Chair directed the Clerk to note that H.B. No. 1713, HD 1, SD 1, CD 1; H.B. No. 1715, HD 1, SD 1, CD 1; H.B. No. 1716, HD 1, SD 1, CD 1; H.B. No. 2832, HD 1, SD 2, CD 1; H.B. No. 2843, SD 2, CD 1; H.B. No. 2720, HD 1, SD 1, CD 1; H.B. No. 2495, SD 1, CD 1; and H.B. No. 2552, HD 1, SD 1, CD 1; passed Final Reading at 3:19 o'clock p.m.

At 3:19 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:31 o'clock p.m. with the Vice Speaker presiding.

Conf. Com. Rep. No. 50-02 and H.B. No. 1357, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1357, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 51-02 and S.B. No. 996, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 996, HD 1, CD 1, entitled: "A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLE I, SECTION 10, OF THE HAWAII CONSTITUTION," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 52-02 and S.B. No. 997, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 997, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL OFFENSES," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 53-02 and S.B. No. 2732, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2732, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 54-02 and S.B. No. 99, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 99, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LIQUOR COMMISSION," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 55-02 and S.B. No. 2964, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2964, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Yonamine rose to speak in support of the measure, stating:

"As an original member of the Advisory Board and having been in contact with Department of Labor when they first indicated an interest in submitting a proposal to get what is known as AmeriCorp, or as we commonly called it, the

'domestic Peace Corp.' I am very glad to lend support to this bill. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2964, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," passed Final Reading by a vote of 42 ayes to 4 noes, with Representatives Djou, Gomes, Jaffe and Stonebraker voting no, and Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 56-02 and S.B. No. 3053, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3053, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HEALTH NURSING," passed Final Reading by a vote of 44 ayes to 2 noes, with Representatives Djou and Moses voting no, and Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

Conf. Com. Rep. No. 57-02 and S.B. No. 3040, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3040, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Souki and Whalen being excused.

The Chair directed the Clerk to note that H.B. No. 1357, HD 1, SD 2, CD 1; S.B. No. 996, HD 1, CD 1; S.B. No. 997, HD 1, CD 1; S.B. No. 2732, SD 1, HD 1, CD 1; S.B. No. 99, HD 1, CD 1; S.B. No. 2964, SD 2 HD 2, CD 1; S.B. No. 3053, SD 2, HD 1, CD 1; and S.B. No. 3040, SD 2, HD 2, CD 1; passed Final Reading at 3:32 o'clock p.m.

Conf. Com. Rep. No. 58-02 and S.B. No. 2046, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2046, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Espero rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Espero's written remarks are as follows:

"I am proud to be involved in a bill which protects the visually impaired and their service dogs. As the eyes of the visually impaired, guide dogs are obedient animals which are not aggressive or mean spirited. S.B. 2046 provide a measure of protection and piece of mind for the owners and their dogs. It is a very good bill and I thank my colleagues for their support of the measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2046, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GUIDE DOGS, SIGNAL DOGS, AND SERVICE ANIMALS," passed Final Reading by a vote of 46 ayes, and with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 59-02 and S.B. No. 2926, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2926, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 46 ayes, with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 60-02 and S.B. No. 2934, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2934, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Yoshinaga rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Yoshinaga's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of Senate Bill 2934, HD 2, CD 1.

"This bill would expand the definition of 'special liquor district' to include areas that are designated for historical preservation or residential protection. It will also require the Liquor Commission Inspector's report to include possible adverse effects to the surrounding community, when a liquor application is for a business in a county with a population above 500,000 people.

"Mr. Speaker, for the past ten years, the Ala Moana-Kakaako Neighborhood Board, which is in my House District 22, has expressed concerns about liquor establishments in the area and the disturbances they cause to residents. Residents of the Bingham Tract area, also in House District 22, have had problems with patrons of liquor establishments who park in their area. These problems include disturbing the peace in the early hours of the morning, street fights, prostitution, drug trafficking and public drunkenness.

"This disorderly behavior has spilled over into the nearby communities and led to an increase in crime. Other adverse effects include the possibility that neighboring businesses may lose customers, and liquor establishments create an unsafe area for children and families.

"For these reasons, Mr. Speaker, I stand in support of Senate Bill 2934, HD 2, CD 1. Thank you for this opportunity to speak."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2934, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," passed Final Reading by a vote of 45 ayes to 1 no, with Representative Thielen voting no, and Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 61-02 and S.B. No. 2613, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2613, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING RIGHTS AND REGULATIONS," passed Final Reading by a vote of 45 ayes to 1 no, with Representative Marumoto voting no, and

with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 62-02 and S.B. No. 2816, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2816, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT LOANS FOR TEACHERS," passed Final Reading by a vote of 45 ayes to 1 no, with Representative Bukoski voting no, and with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 63-02 and S.B. No. 2290, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2290, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INDEPENDENT BILL REVIEWERS," passed Final Reading by a vote of 46 ayes and, with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 64-02 and S.B. No. 2526, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2526, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in support of the measure with reservations, stating:

"Please note my reservations. It is a good bill, but then again, I oppose requiring all these agencies to provide annual reports. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2526, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARENTAL PREFERENCES IN GOVERNMENT CONTRACTS, PROGRAMS, AND SERVICES," passed Final Reading by a vote of 46 ayes, and with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

Conf. Com. Rep. No. 65-02 and S.B. No. 2786, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2786, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOISTING MACHINE OPERATORS ADVISORY BOARD," passed Final Reading by a vote of 43 ayes to 3 noes, with Representatives Ahu Isa, Djou and Rath voting no, with Representatives Auwae, Chang, Garcia, Hiraki and Whalen being excused.

The Chair directed the Clerk to note that S.B. No. 2046, SD 1, HD 1, CD 1; S.B. No. 2926, SD 1, HD 2, CD 1; S.B. No. 2934, HD 2, CD 1; S.B. No. 2613, SD 2, HD 1, CD 1; S.B. No. 2816, SD 2, HD 1, CD 1; S.B. No. 2290, SD 1, HD 1, CD 1; S.B. No. 2526, SD 2, HD 1, CD 1; and S.B. No. 2786, SD 1, HD 1, CD 1; passed Final Reading at 3:35 o'clock p.m.

At this time, the Chair announced that Conf. Com. Rep. No. 69-02 and S.B. No. 2309, SD 1, HD 2, CD 1 would be taken out of order.

Conf. Com. Rep. No. 69-02 and S.B. No. 2309, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee and S.B. No. 2309, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATERCRAFT," were recommitted to the Committee on Conference, with Representatives Auwae, Chang, Garcia and Whalen being excused.

Representative M. Oshiro rose to clarify, stating:

"Madame Speaker, just for the members' edification, the reason why we asked for this recommitment to the Conference Committee is that the Senate, earlier this morning, voted 12 in favor and 12 against, and I think one was excused."

The Chair further clarified, stating:

"This measure did not pass the Senate, therefore it is not necessary for the House to act at this time."

Conf. Com. Rep. No. 66-02 and S.B. No. 796, SD 1, HD 2, CD 2:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 796, SD 1, HD 2, CD 2, pass Final Reading, seconded by Representative Lee.

Representative Kanoho rose to speak in support of the measure, stating:

"Madame Speaker, I would like to give some supporting comments on behalf of all the people of Hawaii and the visitors that come to our shores, and whose lives will be saved as the result of this bill. This bill provides for immunity for all of our lifeguards except for those cases where there may be both negligence, and wanton acts or omission.

"Madame Speaker, this bill has been in the making for two years. This bill provides for a 'sunset' to give us the benefit of experience, and over the next five years, should it be necessary, to make any adjustments, not only for the immunity but this also extends the sunset as it applies to signage, it extends it to 2007, as well. For those who may fear that the public or the visitors may not have the opportunity for remedy, I think that concern may be addressed by the fact that our lifeguards are so dedicated that the thought of having any mishaps occur because of inattention is almost non-existent.

"I'd like to relate the experience in the Water and Land Use Committee when this was first heard a year ago, in that your Chairman recommended to the Committee that this measure be passed, pretty much, in its present form. That immunity be provided, except for those instances of gross negligence, or wanton acts or omission. The Committee felt so strongly that negligence was not a factor, that our lifeguards are so dedicated, that the possibility of negligence would not exist. And therefore the nine members of the Committee overruled the Chair and insisted that this measure be passed with total immunity. Not only were they confident in the dedication of our lifeguards, but that without the immunity, there would be no lifeguards. There was an irony here in that the mere presence of lifeguards on the beaches would create that issue of liability, and could invite a suit unless the level of immunity was such that frivolous suits could not be initiated. This bill does address that.

"I'd like to thank leadership and the members of this House for their support and for their patience in waiting this long and for the passage of this measure. Thank you."

Representative Kawakami rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker. I rise in strong support of S.B. 796, SD 1, HD 2, CD 2, 'Relating to State and County Tort Liability.'

"Counties have long been attempting to have a bill providing lifeguards with immunity for any civil damages resulting from any act or omission of the lifeguard while providing rescue, resuscitative or other lifeguard services on the beach or in the ocean within the scope of employment as a county lifeguard.

"Our beautiful beaches are an attraction to residents and tourists alike, but along with that activity, there is always an inherent risk and the prospect of large damage suits when lifeguard services are rendered. The possibilities of these suits have resulted in the County's reluctance in providing lifeguards.

"I believe this bill creates a 'win-win' situation for residents, tourists and the Counties. My Kauai County is supportive of this bill and I ask my colleagues for your support of this measure.

"Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 796, SD 1, HD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE AND COUNTY TORT LIABILITY," passed Final Reading by a vote of 50 ayes, and with Representative Hiraki being excused.

Conf. Com. Rep. No. 67-02 and S.B. No. 940, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 940, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE UNFAIR PRACTICES," passed Final Reading by a vote of 38 ayes to 12 noes, with Representatives Auwae, Djou, Fox, Gomes, Halford, Jaffe, Marumoto, Meyer, Moses, Rath, Stonebraker and Thielen voting no, with Representative Hiraki being excused.

Conf. Com. Rep. No. 68-02 and S.B. No. 2075, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2075, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. The merits of this bill in providing greater access to the preventive dental services by the dental hygienists in the State of Hawaii is indisputable. The necessity for change in our supervision restriction is also past due. The current statute does not allow a private-practice hygienist to work in a public health setting, providing any service whatsoever, including dental hygiene education, unless the dentist that employs that dental hygienist is on-site providing direct supervision. Forty-five other states have some form of general supervision for all dental hygienists. Hawaii is among one of five states that restrict the access of care with a direct supervision clause. The other four states are in the deep south.

"The Oral Health Taskforce report issued last year clearly demonstrated the dire need for dental care of our citizens. And because the Dental Division of the Public Health Department has stated that they are only able to access one-third of the schools every third year because of budgetary restraints. A lot of these schools, unfortunately, are on the Neighbor Islands where the needs are the greatest. These factors, coupled with the lack of support for fluoridation demonstrates that all of us need to focus on alternative solutions to meeting this health crisis within Hawaii.

"The Hawaii Dental Hygienists were asked last year by our legislators to 'step up to the plate' and be a part of the solution. The statute change allows the supervising dentist or agency to choose whether or not they wish to accept the responsibility and liability for general supervision of a dental hygienist in a public health setting. It does not mandate that a dentist allow their dental hygienist to work under general supervision if they believe that that individual should only work under direct supervision. General supervision requires that the patient be examined, diagnosed and given a treatment plan by a licensed dentist prior to having treatment rendered by a dental hygienist. Any treatment rendered in a nursing home, hospital, or extended care facility, as well as assistive programs would require prior examination by a licensed dentist and would be conducted in conjunction with the care treatment plan by that dentist.

"The safety records of dental hygienists are without question and the states that permit general supervision, their liability premiums are in the range of \$70 a year. And the 14 states without supervision restrictions, the liability premiums are in the range of \$150 a year. Surveys of all state boards of dental examiners show that there are no complaints for malpractice against dental hygienists. They are highly trained, tested and licensed to perform services and the regulatory agencies can revoke those licenses at anytime.

"The statute prohibits a dental hygienist from receiving direct reimbursement for service rendered and prohibits dental hygienists from establishing or operating separate care facilities that exclusively render dental hygiene services. So I think you'll see that this statute, this bill, is very focused and it is obvious that it is to provide more the preventives services, whereas the dentists provide more treatment services.

"This is part of, I think, the Health Committee's overall strategy to meet the poor oral health conditions, especially in under-served communities and under-served populations. So I'd like to ask everyone to please support this measure. Thank you, Madame Speaker."

Representative Leong rose to speak in opposition to the measure, stating:

"I stand in opposition to this, not because I come from a family of dentist, but for the very fact that we want to make sure that these people who are going to be treated, who are medically fragile, and the children, are not in a compromised situation. The dentists in Hawaii, in their testimony that was provided said that all the dentists were in favor of this dental hygienist bill. But in actuality, they are not. And we have evidence to show that the dentists were not in favor of it because they are concerned. Sure they want them to be able to go out in the community and do it, but they want it to be done correctly. They don't want to worry about litigation. They want to make sure that the patients who are being worked on are going to be protected. And yes, we do need them. We do need them out in the field. But we need to be careful of who we put out there.

"We have a statement from the dental society which states that the Hawaii Dental Association opposes S.B. 2075. This bill will fail to meet its objectives without jeopardizing the public safety. And that is what we need to keep in mind, the safety of the patients. They could be our children. They could be our parents also. So it is not saying that we don't want them, but it is just that we have to be safe in what we are doing. Therefore, I question the fact that this was stated at the hearing, and that all the dentists support this, which they do not. Thank you, Madame Chair."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2075, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL HYGIENISTS," passed Final Reading by a vote of 40 ayes to 10 noes, with Representatives Auwae, Djou, Fox, Leong, McDermott, Meyer, Moses, B. Oshiro, Pendleton and Thielen voting no, and with Representative Hiraki being excused.

Conf. Com. Rep. No. 70-02 and S.B. No. 2824, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2824, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Final Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Conf. Com. Rep. No. 71-02 and S.B. No. 859, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 859, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Garcia rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Garcia's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure.

"This bill will enhance public safety by providing a very tangible system of reward to motivate incarcerated persons to actively participate in their rehabilitation. Hawaii is one of only a small number of states that does not have an earned time provision, and it is due time that we adopt this measure.

"Persons convicted of a class A felony (i.e. the most serious offenses) will not be eligible for this program, nor will those with a sentence of life without parole. Further, all those faced with a mandatory minimum term set by statute will not be paroled before that minimum term has been served.

"The Parole Board would retain the discretion to deny parole to a person who has completed the minimum term of incarceration, even if that term has been shortened by the earned time credit this bill provides. I stress this again for those who are concerned that this bill will lead to the release of dangerous criminals---a minimum term adjusted by earned time credits in no way compels the Parole Board to parole an inmate that the board finds to be a danger to public safety. The Parole Board will use the same criteria it presently does to weigh the risk to public safety for every case before the Board.

"After describing what the bill is not, let me describe what this bill is. Earned time credit is an excellent way to motivate inmates to actively participate in their rehabilitation. The result

will be not only good for public safety, but it also could help free up needed space in our overcrowded facilities. For an inmate who exhibits maximum participation, his or her minimum term could be reduced by up to 25%.

"I reiterate, Mr. Speaker, no inmate will exit through the gates, earned time or not, if a Parole Board hearing finds that they remain a danger to public safety.

"Thank you, Mr. Speaker."

Representative Fox rose to speak in opposition to the measure, stating:

"This measure makes a distinction between Hawaii and much of the rest of the country. In the rest of the country, we have a situation in which we've gone to mandatory sentences to make sure that victims are protected by keeping criminals locked up longer. In Hawaii we are now going to put in place a mandatory release provision, where you sort of 'tick away' automatically on the clock, as long as the person does their earned-time, automatic recommendation that they be paroled.

"This process was opposed by the Paroling Authority. It is true that technically, the Paroling Authority still has the power to deny parole when somebody comes before them who is qualified under this provision. But it certainly is a big shove in the direction of getting people out of prison and back on to the streets, ahead of the time that the Paroling Authority thinks they ought to be returned to the community. I regret this movement in the wrong direction and I oppose this bill. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 859, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PAROLE," passed Final Reading by a vote of 42 ayes to 8 noes, with Representatives Djou, Fox, Jaffe, Meyer, Pendleton, Rath, Stonebraker and Thielen voting no, with Representative Hiraki being excused.

Conf. Com. Rep. No. 72-02 and S.B. No. 720, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 720, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROHIBITION OF DISCRIMINATION BY PUBLIC ENTITIES TOWARDS INDIVIDUALS WITH DISABILITIES," passed Final Reading by a vote of 42 ayes to 8 noes, with Representatives Djou, Fox, Gomes, Jaffe, Meyer, Moses, Rath and Whalen voting no, Representative Hiraki being excused.

Conf. Com. Rep. No. 73-02 and S.B. No. 2337, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2337, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RACING ON HIGHWAYS," passed Final Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Conf. Com. Rep. No. 74-02 and S.B. No. 2698, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2698, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 846E,

HAWAII REVISED STATUTES," passed Final Reading by a vote of 50 ayes, with Representative Hiraki being excused.

The Chair directed the Clerk to note that S.B. No. 796, SD 1, HD 2, CD 2; S.B. No. 940, HD 2, CD 1; S.B. No. 2075, SD 2, HD 1, CD 1; S.B. No. 2824, SD 2, HD 1, CD 1; S.B. No. 859, SD 1, HD 2, CD 1; S.B. No. 720, SD 2, HD 2, CD 1; S.B. No. 2337, SD 2, HD 2, CD 1; and S.B. No. 2698, SD 2, HD 1, CD 1; passed Final Reading at 3:50 o'clock p.m.

Conf. Com. Rep. No. 75-02 and S.B. No. 331, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, and the report of the Committee was adopted and S.B. No. 331, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 76-02 and S.B. No. 2733, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2733, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 77-02 and S.B. No. 2898, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2898, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAVE PROTECTION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 78-02 and S.B. No. 2708, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2708, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 79-02 and S.B. No. 2234, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2234, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Meyer rose to speak in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Meyer continued, stating:

"Thank you, Madame Speaker. I rise in strong support. This bill has to do with the sexual exploitation of minors. I can only say that I am delighted that we have acted on this bill and hopefully we will pass it today. Thank you."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I rise in very strong support of S.B. 2234, a bill that has as its basic goal to prevent the commercial sexual exploitation of minors. This is a bill that has been needed for a long time. The commercial sexual exploitation of young people under eighteen years of age has not been addressed and is,

therefore, not covered under our laws. There is nothing more important for our Legislature to do than to protect the young people in our communities and in our State. Our Caucus considered this to be so important that we pulled the bill out of Committee to be heard and debated on the Floor. I want to express my appreciation to the Chairman of the Judiciary Committee for being willing to hear it in his Committee once it was recommitted and to take it through conference so that we would be able to vote on it today.

"Mr. Speaker, passage of this bill will send a strong message to our constituents that we do know and understand our duty to our youth, and it will also send a very strong message to those who would exploit minors for commercial sexual purposes that this Legislature will not tolerate such activity.

"Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2234, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL EXPLOITATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 80-02 and S.B. No. 233, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 233, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHIROPRACTIC," passed Final Reading by a vote of 40 ayes to 11 noes, with Representatives Auwae, Bukoski, Djou, Fox, Gomes, Jaffe, Marumoto, Meyer, Rath, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 81-02 and S.B. No. 594, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 594, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I stand in strong support. I will be the first to admit that like many others probably here on the Floor, I really don't have a grasp of the issues related to, or first hand experience with traumatic brain injury. I do remember a grand-uncle who sustained a head injury in a diving accident, and I can remember him sitting for over 20 years in a chair, totally dependent upon my great-aunt for his care.

"I also recall when I was a youngster, a friend of mine was playing with a hatchet and the hatchet flew off and was flying towards my head. If I didn't duck, it may have hit me on the head and I could have been injured very seriously. The same thing happened while I was playing football at a playground. I was knocked unconscious when I hit an exposed drinking fountain. These and many other close calls make me realize that but for the grace of God, I could have been a victim of head trauma, dependent for care, unable to function, and maybe unable to be a legislator. Although some people say that we act as if we are brain injured.

"There is also realization that it still could happen to me or to you or to anyone of us. Today, tomorrow, next month, next year, five years from now. It could happen anywhere at any time, when you least expect it. Statistics bear out that the highest probability is that you will be brain injured in an auto accident. And there is also a realization that now, more than

ever, thanks to ever advancing medical technology, we would be surviving a traumatic brain injury and probably be dependent upon therapy, which is on-going medical, social, and psychological treatment. You know, we talk about long-term care, and I think people associate long-term care with the elderly, but it can also apply to those who are brain injured.

"There are many young people who need long-term care because of brain injuries. It is difficult to legislate education and awareness, but prevention efforts start with making people aware of the issues through public awareness campaigns. And there is a lot of misperception and misunderstanding about traumatic brain injury. But at one time, people misunderstood mental retardation and mental illness. But it is really the advocates, the parents and the consumers who came forth and made those issues important to everyone. So for those who have worked tirelessly to advocate for this bill, it will go a long way in helping them to encourage victims, families and caregivers of traumatic brain injury.

"Establishing this Trust Fund will enable the State of Hawaii to apply for various grants relating to TBI, allowing the State to generate new income to provide for services, education, prevention and research. Twelve other states have established TBI trust funds and are successfully generating new income for services needed in their state. According to attorney Ian Mattoch, there is a logical nexus linking the surcharges on speeding tickets, as motor vehicle accidents are the leading cause of traumatic brain injuries. We also know that in the cases where speed, alcohol or the lack of proper child restraints are involved, the likelihood of TBI and spinal cord injury being sustained increases greatly.

"So on behalf of all the victims and families of traumatic brain injuries and for the sake of preventing our young people of becoming victims of brain injury, I humbly ask for your support for this measure. Thank you, Madame Speaker."

Representative Whalen rose to speak in opposition to the measure, stating:

"I'll try to be very brief because it is very clear from the record the reason why I am opposed to it. And that is because we are using traffic violations as a means, again, to fund another State program. Already, traffic violators are paying for drug treatment, counseling, the running of the administration of Judiciary, and we are now going to add on neurotrauma to the list of things they are funding just for violating traffic laws. It doesn't mean it is right, but I think the reason why we keep reaching into their pockets is because obviously, there is not a group of ex-traffic violators, who probably would encompass just about all of us. Whether they drove through a stop sign or went too fast or whatever the case may be, they're not here as a lobbying group to protect their interests. And so what we do when we want to create another State program or something is we tack on another fee. In some violations, the fees are more expensive than the actual fine. That is how outrageous this has gotten.

"If we really wanted to connect the two together, we have different State programs to provide assistance to people who've had strokes or heart attacks or are in their recovery, etc. We should put a tax on hamburgers and french-fries because those are the leading fatty foods and the leading cause for that sort of ailment. We really don't do it because it is outrageous. Yet we don't think twice about saying if you violate the traffic law, we are going to make you pay for this program to assist those with brain injuries. There is no nexus there. You can claim that is one of the leading causes, but there is no direct nexus between someone violating a traffic law and other people with brain injuries, unless again, their actions are the ones that created it. Thank you, Madame Speaker."

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 594, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NEUROTRAUMA," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Djou, Fox, Gomes, Halford, Jaffe, Leong, Meyer, Moses, Ontai, Rath, Souki, Stonebraker and Whalen voting no.

Conf. Com. Rep. No. 82-02 and S.B. No. 733, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 733, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Just very briefly Madame Speaker, again, this is a tax. We, as State legislators, have promised that it was going to 'sunset'. It unfairly burdens small businesses and adds to the reputation that Hawaii is a place that is hostile to entrepreneurs. This tax should be eliminated. We shouldn't be renewing it here. For these reasons, I hope we vote it down."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 733, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Final Reading by a vote of 35 ayes to 16 noes, with Representatives Bukoski, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Thielen and Whalen voting no.

Conf. Com. Rep. No. 83-02 and S.B. No. 3063, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3063, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 331, SD 2, HD 2, CD 1; S.B. No. 2733, SD 2, HD 1, CD 1; S.B. No. 2898, SD 2, HD 2, CD 1; S.B. No. 2708, SD 1, HD 1, CD 1; S.B. No. 2234, SD 2, HD 2, CD 1; S.B. No. 233, SD 2, HD 2, CD 1; S.B. No. 594, SD 1, HD 2, CD 1; S.B. No. 733, SD 1, HD 1, CD 1; and S.B. No. 3063, SD 2, HD 2, CD 1; passed Final Reading at 4:03 o'clock p.m.

Conf. Com. Rep. No. 84-02 and S.B. No. 2757, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2757, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDMENTS TO ACT 253, SESSION LAWS OF HAWAII 2000," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 85-02 and S.B. No. 2802, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2802, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEASING OF PUBLIC LANDS TO RENEWABLE ENERGY PRODUCERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 86-02 and S.B. No. 2763, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2763, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Madame Speaker. I'd just like to explain my no vote on this measure. I still am concerned about the privacy of that data and whether or not it could be discovered, and then be made public. Thank you."

Representative Whalen rose to speak in opposition to the measure, stating:

"Again, I don't see a nexus here between getting married and basically, assessing a tax to fund this birth defects program.

"Obviously, we know that you don't have to get married to have kids. And we see quite a bit of that in Hawaii. Again, part of that fee goes into the general fund for getting married. So obviously whatever programs that are directly connected to that, there is an excess tax that is levied on them because we are funding the general fund through it. And now we've tacked on another use for that money that has no connection to getting married at all. So my opposition is based on that."

Representative Djou rose to speak in opposition to the measure, stating:

"Just again, very briefly. I have always articulated that I believe we should be lowering the marriage licensing fees. I cannot support a measure that is increasing the marriage license fee."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2763, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BIRTH DEFECTS," passed Final Reading by a vote of 37 ayes to 14 noes, with Representatives Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Meyer, Moses, Ontai, Rath, Stonebraker, Thielen and Whalen voting no.

Conf. Com. Rep. No. 87-02 and S.B. No. 2775, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2775, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 88-02 and S.B. No. 2682, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2682, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Jaffe voting no.

Conf. Com. Rep. No. 89-02 and S.B. No. 2350, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2350, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Fox rose to speak in opposition to the measure, stating:

"The State is a big, gigantic vacuum cleaner that sucks up revenue from any possible source. We made an agreement several years ago in this Chamber that in connection with passing a increase in the hotel room tax, that the hotels and the visitor industry, in return, will get control over the revenue from that tax. Not all of it, but a certain percentage, a fixed percentage of it. And it is the fixed percentage that we legislators are now interfering with. And I feel so sad that \$1 million is earmarked under this bill to aid the Department of Land and Natural Resources, and that is being used as the 'foot in the door' to get money into the general fund. Because once the \$1 million is paid to the DLNR, the rest of the revenue pulled in off the top of the cap goes into the general fund to support the continued growth of State government at the expense of the rest of our economy.

"It is so unfortunate that this is going on because if we want to grow our economy, there is nothing that we can do better than to market Hawaii successfully to the outside world. Bring in new visitors who will spend money in Hawaii and that money will help our education system. It will help our social needs. It will expand our economy. And so we are going to cap that. We are going to put the money in other uses and that is in violation of the agreement that we worked out. We are doing it basically, falsely, in the name of helping the DLNR. So I very much regret this movement and I believe it will hurt the future of Hawaii. Thank you, Madame Speaker."

Representative Suzuki rose to speak in support of the measure, stating:

"Although the previous speaker has said we capped the percentage, what we did was reduced the percentage from 37% to 32.6%. And even though 32.6% multiplied by the projected revenues into the special fund for the Tourism Authority would be below the \$61 million, we assured that in the year 2003 and 2004, the Tourism Authority would get no less than \$61 million per year.

"And applying this 32.6% 'cap' in the years 2005, 2006, and 2007, the allocation to the Tourism Authority increases to \$64 million, \$68 million, and \$71 million. And it continues to grow along with the increase in the tourism tax. So for that reason, I am in favor of this measure."

Representative Chang rose to speak in support of the measure, stating:

"I would not disagree with the speaker from the other side of the aisle. I do agree that we need to support the tourism industry, and I as your Tourism Chairman have been one of the biggest advocates for that. But I want to thank especially, Speaker Say and our Finance Committee, especially Chairman Takamine, for allowing me to negotiate with the Senate on this measure, and to hold the line and stay within our \$61 million cap that the Governor had initially put on the HTA. Besides the \$61 million, we added an additional \$1,292,000 for the DBEDT to do research on tourism, and additionally another \$1 million to be allocated for improvements to the State parks and trails.

"In all our discussions we all agreed, well most of us agreed, that there is a nexus between State parks and trails, and our tourism industry. And we, in actuality, had reduced it from \$2 million to \$1 million in Conference, as well as earmarked

another \$1 million within the Tourism Special Fund to be appropriated by HTA to support efforts to manage, improve and protect Hawaii's natural environment. And although we did have an agreement with the HTA when we created it, our State Auditor put out a harsh audit on the management of the Hawaii Tourism Authority and I'd like to read from that, just to show that we are proceeding in a very cautionary way.

We found that the Hawaii Tourism Authority is plagued by an alarming array of management deficiencies. The Authority's Board of Directors has the principal responsibility for fulfilling the Authority's mission of managing the strategic growth of Hawaii's visitor industry. We found that the Board has failed to provide the vision, leadership, and direction necessary to ensure that the authority achieves its primary mission. The Authority's strategic planning process was deficient, and measuring the direct impact of the Authority's efforts is very difficult. We found suspect the history and justification behind the Authority's decision to contract with Fishman Enterprises, Inc. ... to serve as chief executive officer overseeing the staff and operations of the authority for a three year period.

"All in all, it just goes to show that we need to be more cognizant of the way the Authority is spending the tourism dollars that we appropriate to them. And this is one way to do that. Thank you."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Madame Speaker, I wish to speak for this with some minor reservations. First of all, I want to thank the Chairman of Tourism for holding the line on this. He is doing a very good job and certainly he is an advocate of tourism. However there is some cloud, again, over this method that we have going on right now.

"Every time there is a problem in financing, we look at the Tourism Authority and we say there is sixty some million dollars. We can take some away and we can divert it to some very good causes, of course. We all know we need parks. Our parks need to be upgraded and the environment needs to be maintained. I think that is all very important. But what we are doing is we are 'nickel and diming', again, as we've done in the past. If we don't have enough money, then let's do the right thing. You've got to raise taxes or you have got to cut some place else to find the money to do it. But do not affect our main tourist, if I can say, 'cannon.'

"Without tourism, we don't have anything. That is our major industry that provides money for education, health, social services etc., etc., etc. And if you are going to continue to tap in it, it is going to be like in the old days when we had \$24 million for the Hawaii Visitors Bureau and they were lucky if they ended up with \$6 or \$7 million because we kept on tapping the money for different items, because we did not want to do the right thing. If we need to raise taxes, then raise taxes. But do not continue to pick and choose.

"What I am afraid of is this will set a precedent, and that you are going to continue to look at this Fund, and in fact there has been some discussion, not from this assembly but from the one across the hall, that we need to tap the funds because maybe they have too much. We need to be vigilant about that.

"When business is going down, when the State is in trouble, you need to market more. That is basic business. When business is bad, you market and you sell more, and the HTA is our marketing arm. They are the major arm that we have. So in respect to all of this, and respect to the members of the Finance Committee, and certainly to your leadership in

protecting this HTA, you still need to be vigilant in that we don't continue to deteriorate the source of our revenues. Thank you very much."

Representative Djou rose to speak in opposition to the measure, stating:

"Madame Speaker, my opposition was largely stated by the Speaker Emeritus, although he was in support with reservations. He articulated quite clearly that we made a promise, and that we, as politicians, shouldn't be tinkering with this Fund. That we shouldn't be trying to micromanage what is going on with tourism. We made a promise to our tourist industry, our most important industry, that this TAT will be set aside for marketing. Unfortunately, we are doing exactly what we said we wouldn't be doing. We are breaking our promise with this measure, and that is why I am standing in opposition. Thank you."

Representative McDermott rose to speak in opposition to the measure, stating:

"Madame Speaker, if this measure does pass, which I think it will, I just hope that the DLNR will go out and 'square away' Sand Island, and fix it up. The place is really an embarrassment. I hope this money does go to fix that place up. Thank you."

Representative Garcia rose to speak in support of the measure, stating:

"I respect the concerns raised by the previous speaker from Maui and the promises that we have kept. I guess that those who are opposed to this measure saying that we have broken those promises, I think that we are consistent Madame Speaker, and I will explain why.

"When you make a promise to help the tourist industry in marketing Hawaii, you have to ensure that you have a product to market. That product needs to be protected and I think the money that are going to go to help our parks and our trails is part and parcel of that promise, and that product that we need to market, to ensure that the tourist come back to the Hawaii, and that this will be for them to enjoy and appreciate. And for the residents as well, by the way.

"So I support the Finance Committee Chairman's efforts and leadership. I remember sitting with the good Chairman of the Tourism Committee and talking about this very issue, and about taking care of the product. I am glad that he took up our suggestion. Thank you."

Representative Meyer rose to speak in opposition to the measure and asked that the remarks of Representatives Souki and Djou be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Meyer continued, stating:

"I would just bring the Body's attention to the fact that we are wanting to cap the TAT and to funnel off money for State parks and trails. And yet in another bill before us today, H.B. 2827, a bill for an Act Relating to the State Finances, this is the bill that takes excess money out of a large array of special funds that amounts to about a \$140 million, and here we are taking out a million dollars from the Natural Area Reserve Fund, which is a special fund with money dedicated to repair trails throughout the State of Hawaii. And we are also taking out supposedly, excess funds, from the State Parks Special Fund, \$250,000. Somehow this seems contradictory. It is as if the right hand does not know what the left is doing. And I will be voting no for those reasons. Thank you."

Representative Schatz rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I rise in support and just as a point of clarification. The Natural Area Reserve Fund is not designated to repair parks and trails but rather our most biologically pristine areas in the State. It has nothing to do with our parks and trails.

"And I also wanted to make another point. You know, we have been cutting every other State department and if other departments had a scathing management audit like the one in my hand, the people across the aisle would be first ones to say, 'You know, the problems have to be solved before we pile any more money on top of it.' All we are saying is that there are some priorities, some environmental priorities that need to get funded. And until the Hawaii Tourism Authority gets its act together, why pile more money on it? Thank you."

Representative M. Oshiro rose to speak in support of the measure and asked that the remarks of Representative Schatz be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative M. Oshiro continued, stating:

"I am in strong support and would just like to focus on two of the very important features of this measure right here. One, it has already been stated, but the Hawaii Statewide Trail and Access Program will receive up to \$1 million, which will assist them. And two, the State Parks Special Fund will be getting additional monies also. And it is important because the Trail and Access Program will be working with the Hawaii Tourism Authority to design a master plan for the Trail and Access Program for both visitors and residents. So I think there is a nexus there, with the Tourism Authority and the purposes of this Fund. Thank you."

Representative Whalen rose to speak in support of the measure with reservations, stating:

"I rise with reservations, Madame Speaker. Mainly it's the comment about this 'scathing Auditor's report.' I wish those statements there were really true. Because the State government is constantly being reamed by the State Auditor saying that we are wasting money, yet we increased our budget regularly without much regard for those audits. So I wish we really would pay attention to them and make the corrections that they have in there as they apply to us, as well as other departments. Thank you."

Representative Souki rose to respond, stating:

"Yes Madame Speaker, in rebuttal please. There's been mention about the State Auditor. The State Auditor failed to mention in her report that the HTA had the best record in tourism in the whole nation, as far as visitor destinations. Somehow, she conveniently left that out. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2350, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," passed Final Reading by a vote of 40 ayes to 11 noes, with Representatives Bukoski, Djou, Fox, Gomes, Halford, Jaffe, McDermott, Meyer, Moses, Ontai and Stonebraker voting no.

Conf. Com. Rep. No. 90-02 and S.B. No. 2666, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2666, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Abinsay rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Abinsay's written remarks are as follows:

"Mr. Speaker, I rise to speak in strong support of Conference Committee Report No. 90-02, S.B. 2666, SD 2, HD 1, CD 1, relating to establishing a seal of quality program for fresh and processed agricultural products.

"Mr. Speaker, S.B. 2666, SD 2, HD 1, CD 1 would create a 'One-Hawaii' brand marketing program for the State of Hawaii. This marketing concept has long been envisioned by those in the industry to increase resident and visitor awareness and purchases, as well as to increase the export marketing value of Hawaii's unique and quality agricultural and all its added-value products.

"As we know, marketing is a critical component in the success or failure of a business. The same is true in agriculture. To maintain a strong agriculture industry for Hawaii, there must be an effective marketing program in place in order to differentiate Hawaii's own and locally grown agriculture products from those grown on the mainland or other countries.

"Mr. Speaker, the quality marks or seal of approval logos are marketing tools, which make consumers to instantly recognize a product, assure them of its quality and origin, and make them decide to buy that product. Because as consumers, we need assurance of the place or origin and quality of agricultural products. This is essential for export marketing.

"The stakeholders of this program were recently convened, including the Maui Chamber of Commerce, who has had some concerns about the implementation of the program. The result of this meeting was very positive. It is understood that the seal of quality program is voluntary, and the qualified growers and added-value processors will be given the option to use the seal of quality with other established brands or other seals. In addition, as the seal of quality achieves brand recognition and value, it will be the farmer's business decision as to where to invest marketing dollars. It is further agreed that all other details about the implementation of this program will be resolved through the administrative rules process.

"There is strong support for this program from all sectors in the industry and government. This 'One-Hawaii' brand concept makes sense and it sets the framework for the industry's marketing vision. It also establishes a working relationship between the private sector and government for marketing of the seal of quality program. As we know the private sector's success is built upon marketing. Government on the other hand brings to the table the ownership and enforcement capacity, which lends credibility in the export market.

"Mr. Speaker and colleagues, I believe this a good bill and ask that you will support it. A brand, such as the seal of quality, is more than just a name or label. It means providing a consistent, high quality product to a buyer or consumer. In the words of a papaya farmer, it is a 'contract between a consumer and producer.'

"Thank you for your support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2666, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING

TO A SEAL OF QUALITY FOR FRESH AND PROCESSED AGRICULTURAL PRODUCTS," passed Final Reading by a vote of 45 ayes to 6 noes, with Representatives Bukoski, Halford, Jaffe, Leong, Marumoto and Ontai voting no.

Conf. Com. Rep. No. 91-02 and S.B. No. 706, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 706, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Madame Speaker, I know there has been considerable discussion on this particular bill which raids the Hawaii Hurricane Relief Fund. I just would like to restate my opposition and ask that the Clerk reinsert my comments in opposition to the House version of this bill on Third Reading in opposition to this raid of the Hurricane Fund. Thank you," and the Chair "so ordered." (By reference only.)

Representative Case rose in opposition to the measure, stating:

"Thank you, Madame Speaker. I am in opposition and I have the same request. I'd like to incorporate my remarks previously delivered against this bill in opposition from earlier in the Session," and the Chair "so ordered." (By reference only.)

"I think it is important for us all to emphasize to everybody out there exactly what this bill is doing. Yes, we did not take the corpus, the accrued payments of everybody into this Fund. By the way, we were told earlier in the Session that we had no choice but to take that corpus. It appears we did have other choices. Unfortunately, we did not choose wisely. But we did have other choices. And that goes to show you that you can do anything when you set our mind to it.

"We have, however, taken interest accrued, interest of \$29 million to date. But that's not all we've done. We've also taken all the interest to be earned on this Fund in the future. And I think that everybody needs to know that. All the interest in the future. We're projecting that at \$12 million a year, so we are taking \$12 million a year in the out years in order to continue to balance the budget and mainly meet State expenses above the ability of our economy to sustain those expenses.

"Now the cost of hurricanes doesn't usually go down, so that money should be going back into the Fund to build that Fund up. We are not doing that. We are leveling the Fund off and we are probably, when we get to the next legislative Session, going to have this debate all over again. Because I am sure that some people are going to say, 'Okay fine. We are in a much worse situation now. Now let's take that corpus.' I hope we slam the door on that, at least. The bottom line still is that we cannot continue to balance our State budget by these mechanisms. Thank you."

Representative Gomes rose to speak in opposition to the measure, stating:

"Thank you, Madame Speaker. I am in opposition for the reasons stated, and also if I could, I'd like to make reference to my comments in opposition to this transfer, this raid, that I gave on Second and Third Reading," and the Chair "so ordered." (By reference only.)

"And again, with regard to the amount of this raid, the \$29 million, it looked like the Conferees were trying to come up

with a number, or figure out a number that they needed, to fill in a *puka*. And then they just justified whatever it was that, that amount came up to be, which was \$29 million in this case. Why just two years of interest? I don't know. Why not three? Why not five? Why not one? I don't know, but \$29 million was the key figure.

"The interest, it is not ours. It belongs to the Fund. It belongs to the purpose for which it was created. This is very separate from some other State related fund for State purposes. This was so-called 'insurance' that we created for one special purpose. We should stick to that. This is wrong. It is going to down in litigation. And it is going to foil this whole financial plan from the get-go.

"Anyway, so be it. Those that wanted to jump in the fire chose to. There they are. You can deal with it. I am against this. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 706, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE GOVERNMENT," passed Final Reading by a vote of 30 ayes to 21 noes, with Representatives Ahu Isa, Auwae, Bukoski, Case, Davis, Djou, Fox, Gomes, Halford, Jaffe, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Takai, Thielen and Whalen voting no.

Conf. Com. Rep. No. 92-02 and S.B. No. 23, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, and the report of the Committee was adopted and S.B. No. 23, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 2757, SD 2, HD 2, CD 1; S.B. No. 2802, SD 2, HD 2, CD 1; S.B. No. 2763, SD 2, HD 2, CD 1; S.B. No. 2775, HD 1, CD 1; S.B. No. 2682, SD 1, HD 2, CD 1; S.B. No. 2350, SD 2, HD 2, CD 1; S.B. No. 2666, SD 2, HD 1, CD 1; S.B. No. 706, SD 1, HD 1, CD 1; and S.B. No. 23, SD 2, HD 2, CD 1; passed Final Reading at 4:26 o'clock p.m.

At 4:27 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:28 o'clock p.m.

Conf. Com. Rep. No. 93-02 and S.B. No. 2078, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2078, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 94-02 and S.B. No. 2724, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2724, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 95-02 and S.B. No. 2737, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2737, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 96-02 and S.B. No. 1188, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 1188, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Thielen rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. Before I begin, I would like to give my sincere thanks to Jim Hall who has taught me much about this subject and much about this issue, and I deeply appreciate his help.

"Last April, I spoke on this measure, but the House and the Senate couldn't agree on the bill's contents so it spent over a year in Conference Committee, incarcerated. During that year, some things remained the same and some things changed. What has not changed Madame Speaker, are the basic facts, and by that I mean the fact that the American Medical Association and others categorized addiction as an illness, not a crime.

"Lately we've been treated to some very moving television spots by retired Circuit Court Judge Masato Doi and the late Mackey Feary's sister, Dansetta Feary Kamai. Their message was clear and unequivocal: treatment works, prison doesn't.

"Another fact that hasn't changed is that Hawaii is classified by the federal government as an HIDT or a High Intensity Drug Trafficking area. Other statistics that haven't changed since last year are that 80% of our inmates have substance abuse problems, but only fewer than 20% are receiving any treatment. And 90% of our women inmates have substance abuse problems. Over 16,000 of Hawaii's school children are in need of substance abuse treatment but less than 10% receive any treatment. Where are these youngsters going to wind up when they drop out of school? The overcrowding of our prisons hasn't changed during the past year either. Nor have any measures to face these problems been passed even though a Rand Corporation study concluded that for every dollar spent on substance abuse treatment, \$7 in social costs such as healthcare, social services, lost productivity, and on the criminal justice system will be saved.

"On the other hand there have been some major changes in the way the American people look at these problems. Starting at the top, this February, George W. Bush announced his drug control strategy. Said President Bush, 'Ours is a consorted effort to reduce demand. It is central to an effective strategy.' And what is he planning to do to reduce demand? The President said that we are proposing \$3.8 billion, that's billion with a 'B', for drug treatment and research. We'll work with state governments to provide treatment where it is needed most. The federal dollars will be distributed to states to support efforts that work.'

"This morning's editorial in the *Honolulu Star-Bulletin* supporting the passage of S.B. 1188, said, 'The President has called for two-thirds of the \$357 million in federal anti-drug efforts that go to treatment. The \$357 million is merely the increase for treatment and research based solely on population and not necessarily need or efforts that work. Hawaii would be

eligible for \$1.4 million in federal treatment money each year for the next five years.'

"President Bush also recognizes that such an effort, especially for inmates, is extremely cost effective. Noted President Bush, 'It cost \$25,000 a year to imprison someone who has committed a crime to support a drug habit. Four to eight times the cost of placing that person in out-patient therapy.'

"Attitudes are changing in Congress as well, Madame Speaker. Republican Representative John L. Mica, Chairman of the House Sub-Committee on Criminal Justice Drug Policy and Human Resources came to Hawaii almost two years ago and held Congressional hearings at the Federal Court Building. After he returned to Washington, Representative Mica introduced a bill in the House of Representatives that would authorize the Attorney General to make grants to state or local prosecutors for the purpose of developing, implementing, or expanding drug treatment alternatives to prison programs, under which eligible offenders, as an alternative to incarceration, shall be sentenced to a place with a licensed residential substance abuse treatment provider.

"Similar bills have been introduced in the U.S. Senate. The most important thing that happened while S.B. 1188 was incarcerated in the Conference Committee here in Hawaii, was that Proposition 36 in California had been operating for nine months. The results..."

Representative Moses rose to yield his time, and the Chair "so ordered."

Representative Thielen continued, stating:

"The results in California to date are extremely encouraging. The Legislative Analyst Office in California estimated that Proposition 36 will save the State of California over \$1.5 billion, again with a 'B,' in its first five years of its existence. The California Department of Finance believes that California could reduce the number of state prison beds needed for drug offenders by between 10,000 and 12,000 within a few years. This would result in net savings to the state of between a \$100 million and a \$150 million annually, after factoring in the initial appropriation of \$120 million per year for drug treatment and other services.

"What is happening to women inmates after Proposition 36 became law was a big story in the California papers last week. They reported that the number of women in California prisons had fallen 10% in the past year. Lawmakers there are considering closing one to two of the four women's prison to shrink the state's budget deficit. Two weeks ago, one California newspaper, the *San Jose Mercury News* headlined: 'Proposition 36 Boasts Initial Success in Drug Cases'. The story pointed out that the dropout rates in drug treatment were low.

"Waiting another year to pass our S.B. 1188 had another benefit. It gave the agencies that would be most involved in the program, the Judiciary, the Department of Public Safety, and the Department of Health, more time to carefully examine the bill and make recommended changes. The Judiciary, Madame Speaker was, to say the least, not very enthusiastic about this measure. And it was concerned about the impact such a measure would have on drug courts and the number of new parole officers that would be required. The California experience demonstrated that drug courts complimented the Proposition 36 efforts because they handled many cases that did not fall under Proposition 36. A bill was introduced to increase the number of parole officer positions. The Department of Public Safety was always in support of this bill,

but then had many recommendations that were incorporated into the final draft.

"The Department of Health favored the bill but once the \$2.2 million in treatment funds were cut from our budget, they opposed it because they could not financially handle the proposed responsibilities. Then there was a movement in our Legislature to get the \$10 million from the 'Rainy Day' Fund that included that \$2.2 million for substance abuse treatment. I am also pleased to say Madame Speaker, that at least 13 House Republicans signed that petition, that they would support using such monies from the 'Rainy Day' Fund. And I am included among those 13.

"When announcing the introduction of the 'Treatment works, prisons don't' spots on television, Dancetta Feary Kamai emphasized that to pass a bill like this called for courage. Madame Speaker, the state legislative bodies in both Arizona and California didn't have the courage to pass such a law. It had to be done by public initiative. There are initiatives set for this fall in Ohio, Michigan, Florida, and the District of Columbia. Again their legislative bodies punted rather than took action.

"Madame Speaker, in closing, the Hawaii State Legislature could be the first legislative body to show true courage by passing this measure. I would like to say, let's be courageous. Let's all join in, in voting for S.B. 1188. Thank you, Madame Speaker."

Representative Fox rose to speak in opposition to the measure, stating:

"I don't think it's particularly informative to talk about federal law, which has mandatory sentencing on drugs, or the experience in California. What we want to talk about is the situation here in Hawaii. What we did was we turned to the City Prosecutor to get their reading on the impact of this bill. And it is a little bit disturbing.

"First, an important calming point to make is that there is an awful lot of propaganda going around this issue on the idea that if we move to drug treatment for first-time offenders, there is going to be a tremendous change in the way the system operates in Hawaii. That simply is not true. In almost all instances, people who are first-time drug offenders do not go to prison. So the change in the prison population is not going to be great. But there are some important distinctions in this process.

"The first is this bill provides that Class A felons on crystal methamphetamine possession will not go to prison. Now Class A is an incredible amount of crystal methamphetamine. Basically what we are dealing with are drug dealers. Drug dealers, on their first conviction, it is very useful if they are dealing in crystal methamphetamine to have the power to put them in prison, and this bill will take that away. And that is a disturbing fact for this Body to consider and weigh in its actions.

"Second is a matter that we've discussed repeatedly when we fought even lifting the penalty on B and C Class felons for crystal methamphetamine. And that is the virtue of having the 'hammer' when you are dealing with somebody who is going to Drug Court. And we have been supplied with an article from the Los Angeles Times that makes it very clear that the 'hammer' is an important part of the operation of Drug Court in California. And this is what we are going to give away with this bill. We are going to give away the 'hammer' that gets somebody into drug treatment and it encourages them to undergo that program, because they know that if they fail, they

may face time in prison. So that is a second very important factor.

"Third, the most important thing that we need to deal with the problem of drug treatment in Hawaii is money for drug treatment programs. That is the piece that is missing in the puzzle. It is not so much whether or not you mandate that somebody can't go to prison. It is whether you supply them the money to undergo drug treatment. Now the Representative from Kailua has correctly pointed out that Republicans, in this round, many of us are supporting additional money for drug treatment. I would also like to point out that we last year, we said, 'Why create a 'Rainy Day' Fund? Take that money that is going into the 'Rainy Day' Fund and use all that money to support health needs in Hawaii, including drug treatment.' That was the position we took, that is the position the Prosecutor took, saying, 'Why do you need this bill at all? The answer to the problem is appropriating more money for drug treatment.'

"So let's not be misled by a lot of propaganda that is based on what is going on in the mainland. Right here, we don't put people in prison and what we need is money for drug treatment. We don't need this bill, especially in dealing with crystal methamphetamine, a Class A felon. And we don't need this bill that takes away the 'hammer' that makes Drug Court work. Thank you."

Representative B. Oshiro rose in support of the measure and asked that the remarks of Representative Thielen be entered in the Journals as his own, and the Chair, "so ordered." (By reference only.)

Representative B. Oshiro continued, stating:

"Madame Speaker, I stand in strong support. I am glad the Prosecuting Attorney has provided some comments, but I think it is important to remember that he is really a Prosecuting Attorney and he is not a policy maker. We are the policy makers and we decide what direction that we want to go in. And I think when we really look at what is going on here when it comes to drugs and the epidemic that's really causing it, I think what we are trying to do is to provide some additional alternatives for the Judiciary and for those out in the community to try and deal with this problem.

"It's important to really clarify and look at the bill. If you look at page 14 in terms of who is included in this potential program, it specifically states that it does not include those who have distributed or manufactured drugs as defined under 712-1240. So I think right there, the misperception about some drug dealers getting off by going through this program just isn't there because it is really for those who possess or use drugs, not for the drug dealers. And that is an important distinction. That is one classification.

"Another classification is that it has to be a non-violent offense. And if it really is a non-violent offense, and it really is just for possession and use, then really what these people need is some kind of treatment. Because otherwise what happens is that they go into prison and what will happen is the system isn't there to really help them. There is a lack of treatment programs in prison. There are not adequate remedies for those people, and instead they just get caught up in the system. And although people have said it is not fair to look at California, or it is not fair to look at Arizona, I really think it is fair to look at those because they do have a demonstrated history of how this program has worked.

"The Representative from Kailua has already talked about California. In looking at Arizona we see that in fact, they actually came out with a report looking at the fiscal year 1999, and it was published in November 2001. And in that report

there are two really important findings. The first one is that treatment compliance was found to be over 60% effective. Again, 60% effective. Now for the other 40% that failed, they had to go through the regular program. They then get on parole and they have to go through the regular sentencing and all that other stuff. But you know, 60% compliance I think, is a pretty significant figure.

"The other important figure is that they saved \$6.7 million in that one year alone. Again, \$6.7 million. When you look at the disparity between the amount we spend on keeping somebody in jail every day versus the amount that it costs to adequately treat them, I think you look at those numbers, and it is estimated that the prison costs of \$52.81 per day, and you multiply that by however many prisoners they have, they came up with the figure of \$600,000 that was spent supervising, \$300,000 was spent on substance abuse treatment, and therefore, that is how they came out with that figure of saving \$6.7 million. If you also look at California, they estimated that it cost \$25,000 per year for each inmate in California. Whereas the average cost of treatment in California, per client, is only \$4,000. I think that is the kind of figures that we really need to look at when we talk about this bill.

"We're really trying to provide some alternatives in trying to look at what other avenues we have available. Because although we found Drug Court is effective, unfortunately it doesn't meet all the demand out there. That is why we need to come up with some alternatives in this bill. Thank you very much."

Representative Thielen rose to respond, stating:

"Yes, Madame Speaker. I just would like to respond to our Minority Leader's comments that what I was saying was propaganda. I really believe that he doesn't agree with what I am saying so he is labeling it as such. There is quite a difference though.

"President Bush has stated, 'We must aggressively promote drug treatment, because a nation that is tough on drugs must also be compassionate to those addicted to drugs.' That is sensible. That is the sensible way to go. California's experience is relevant. Their Proposition 36 is showing success with drug cases. And their dropout rates in drug treatment programs are very low.

"The experience is particularly telling for women in California prisons. That is a dramatic drop of the number of women that are incarcerated. That is not propaganda. That is fact, and it is successful facts, Madame Speaker. So I sincerely take umbrage with the labels placed upon my comments by the Minority Leader and think they are really inappropriate. Thank you."

Representative Meyer rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I rise in support but with some reservations. I am worried about taking the 'hammer' with Drug Court. When people are addicted they often will be in denial, and on and on. It takes something very serious to finally get them to see the light. They either find themselves crawling around in the gutter, in some strange home or in a terrible situation, or they find themselves in jail. And those are the kind of life crises that sort of snap them to and make them take a look at how unmanageable their lives are. But if we take away one of the tools that will bring people to that realization, they may never get there.

"An addict can be a very cunning person and I am concerned because of the Prosecuting Attorney's Office bringing up the

point that this bill will treat an offender with a Class A felony as if it was a lesser crime. Treat them the same way, and of course they would not be a Class A felon unless they have a very large quantity of drugs with them. I don't think that there is any question that when you have a large quantity, you are dealing. Maybe you are a smaller dealer, but you are dealing. It is not all for your own personal consumption.

"At an NCSL conference, I had the pleasure to go to a detention home in Pennsylvania which was very progressive. They had a lot of young people who had lots of problems, and many of them drug problems. But the man who was a doctor of sociology said that he would not take young people who were dealers because they were incorrigible, and the chances of turning them around were almost impossible. So that is one of the big concerns that I have with this bill that is before us today. Thank you."

Representative Gomes rose to a point of inquiry, stating:

"A point of inquiry if I may, to the Chair from Public Safety, if he could yield to a question with regard to this bill. I just wanted to know, with the provisions of this, if a first time offender fails the drug treatment program, is it mandatory that, that person return to jail, or is that left to the discretion of the courts to make that determination? That is my question, if the Chair would yield to that."

At 4:50 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:57 o'clock p.m.

Representative Gomes rose and stated:

"Madame Speaker, thank you for the recess. I did get the answer with regard to the bill, and it seems that it is of course, mandatory treatment for first time, non-violent offenders. It was the second offense or if you fail the program, that I had a question with. And it seems that the judge would have the discretion on whether or not to incarcerate or to give that person another chance in drug treatment. That was my question. Thank you to the Chair for answering that."

Representative Fox rose to respond, stating:

"Thank you, Madame Speaker. I apologize to the Representative from Kailua if she thought that there was anything personal about my reference to the word 'propaganda.'

"The propaganda that I was talking about is the idea that if we go to a law that has mandatory treatment, we are going to empty out our prisons. That just simply is not founded on facts since almost all people that are first time offenders are not going to prison.

"I am on rebuttal, but since the issue of California is repeatedly introduced, the editorial that I had been given from the *Los Angeles Times* commenting on the situation in California points out that since Proposition 36 came into effect, it has weakened the Drug Courts. And it finds that development an unfortunate one, and this is the editorial which generally comes from the left side of the spectrum at the *LA Times*. It points out that people who are in Drug Court sometimes really benefit from having what they had in California, and that was called 'flash incarcerations'. A few days in jail to motivate recalcitrant offenders to stay off drugs and in treatment.

"Now because of Proposition 36, that is no longer available to those who are operating Drug Court in California. So they

found that a negative development, and that ought to feed in to our study of whether or not this is a good idea. I think that since we already have a system that heavily relies on drug treatment for first-time offenders, and the money isn't there, that that is the big problem, and that we ought to not pass such a law but rather make sure that we appropriate money for drug treatment. Thank you."

Representative Arakaki rose to speak in support of the measure, stating:

"I just want to say publicly, and express my appreciation and commendation to our lead Chair on this measure, for bringing us to this point. We actually started conferencing on this measure from last year. I want to express my appreciation for the Chair of our Public Safety Committee, Representative Garcia. I also want to state publicly for the record that the funding for this measure is found in H.B. 1245, HD 1, SD 1, CD 1, in the amount of \$2,192,698. Thank you, Madame Speaker."

Representative Garcia rose to speak in support of the measure, stating:

"Before I begin Madame Speaker, if you would indulge me. I would like to acknowledge some of those people who assisted in this effort to acknowledge substance abuse as a public health problem. The message of this bill is that non-violent substance abuse offenders who are not distributing drugs are better suited for treatment rather than incarceration.

"First Madame Speaker, I would like to thank the Governor for introducing this bill last year, as well as the Director and the staff with the Department of Public Safety for their continuing support. The Alcohol and Drug Abuse Division of the Department of Health was also key in this effort.

"Second, I would like to thank the members of the Senate who I believe, passed this measure by a 25 to 0 vote earlier today, and particularly Senator Brian Kanno for his good faith collaboration in producing the Conference draft before us today.

"Third, I would like to thank the advocates from our community who provided the necessary testimony, data, encouragement and support that an effort like this demands. In particular I am grateful for all the *kokua* from Kat Brady, Pam Lichty, Dansetta Feary Kamai, retired Judge Masato Doi and all their colleagues. And I know that he is listening in on the House system. I especially want to thank my friend and loyal staffer Mr. Doug White was also instrumental and spent a lot of time and effort on this measure. And my other good friend and staff from the House Minority Research office, Jim who earlier was not able to hear the comments from Representative Thielen. This was also a personal mission on Jim's part and I'd like to thank him for making it part of his mission.

"Moving to the substance of the measure. The Conference draft amends sentencing for first time non-violent drug offenses not involving distribution, where the defendant has no violent felony convictions within the past five years. Instead of serving a term of imprisonment, these offenders will be sentenced to probation and to undergo drug treatment. My good friend, the Prosecutor from the City, is concerned about that and of the criminal justice continuum.

"This measure Madame Speaker, also speaks to the other end of the continuum, that of parolees. On that end Madame Speaker, parolees who face revocation simply because they failed a substance abuse drug test will also be eligible for drug treatment outside of prison walls. If the treatment is a failure, the person becomes subject to sentencing as currently

prescribed in statute. In this way, the State will be able to immediately give these lower risk substance abusing offenders a chance to overcome their addiction.

"The threat of possible incarceration, the 'hammer' as some put it, would still be there to motivate those undergoing treatment. Repeat non-violent drug possession offenders who are ineligible for diversion under this bill would be subject to the enhanced penalties under the repeat offender provisions of the penal code. A key advantage to this change in policy is that a community based substance abuse treatment model does not expose the offender to the criminal environment inside the correctional facility. Furthermore, community based treatment maintains the family and community ties to the offender, which are crucial in the effort to overcome addiction."

Representative Magaoay rose to yield his time, and the Chair "so ordered."

Representative Garcia continued, stating:

"My thanks to the Representative. Similarly Madame Speaker, those people on probation and parole will not be returned to prison on the first violation of their terms and conditions involving a non-violent drug possession offense. Instead, they too will be assigned to substance abuse treatment and given a chance to complete the treatment. Only if the treatment fails will they face revocation and possible incarceration and once again, under the discretion of the judge presiding.

"With the appropriation of \$2.192 million contained in another measure before us, this measure is not another hollow, un-funded mandate. The contracts for the substance abuse treatment are ready to be executed now. And so the impact can begin immediately upon effect of the Act. Once this occurs, I believe we will see positive results for offenders with substance abuse problems. We will see less parole and probation violators returning to already overcrowded prisons. And we will see a much more humane response to this pressing public health problem.

"Madame Speaker, I want to thank the leadership, the Co-Chairs, the managers and those already mentioned for giving me the opportunity to shepherd this measure through to the Floor for this final vote and consideration by our colleagues. It was a long road with much 'sweat and tears', and not too much blood. But I hope that a promise that I made, is a promise that I kept, and will offer a promising future for those who will benefit from this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1188, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING FOR DRUGS AND INTOXICATING COMPOUNDS OFFENSES," passed Final Reading by a vote of 41 ayes to 10 noes, with Representatives Auwae, Bukoski, Davis, Djou, Fox, Jaffe, Moses, Ontai, Rath and Stonebraker voting no.

Conf. Com. Rep. No. 98-02 and S.B. No. 2867, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2867, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 99-02 and S.B. No. 2228, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2228, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 100-02 and S.B. No. 2907, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2907, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ahu Isa rose to speak in support of the measure, stating:

"Madame Speaker, I stand in strong support of this bill.

"Madame Speaker, this applies to qualified cost incurred after December 31st, 2002 for any construction done in the year 2003 at Ko Olina. And this construction, the non-refundable tax credits that can be claimed will not be until the year 2004.

"I want to thank my Committee members, the Chair of Finance, the Conference Committee members, and Vice Chairs Magaoay and Espero and others who sat on this Committee in helping to come up with a workable solution, because I feel this is a really important economic development stimulus, especially in the high risk area where jobs are sorely needed, Madame Speaker.

"The Department of Business, Economic Development, and Tourism performed an analysis of this project and, I know I've talked about this before but I just wanted to throw out some other figures. The aquarium would be the stimulus or the magnet for another \$615 million in hotel, timeshare, and commercial construction at Ko Olina. It was further projected that the attractions and businesses, which made use of this new infrastructure would, over the next decade, create more than 3,000 new jobs with annual incomes of almost \$80 million. If this projected scenario is realized, the new State tax revenue from both construction and the facilities operations would be \$140 million in the first 10 years of operation.

"Based on the proposed \$615 million development associated with this \$100 million aquarium, it is estimated that through the year 2012, about \$170 million in State taxes will be generated by the combined construction and operation of the facilities. The total income impact of operating the aquarium, hotel, and eating and drinking facilities came up to \$560 million. Total State taxes are estimated based on the construction output and income related to the project, and this is estimated at \$170 million through the year 2012.

"This bill also dedicates one half of the taxable income of the world class aquarium to the State beginning on the 17th year, following the year in which the attractions and educational facilities credits are to be taken. Madame Speaker, this is another area that tourists love to visit if we had attractions out there. We need to help our people by providing jobs for them. Quality jobs that pay well. Thank you, Madame Speaker."

Representative Rath rose to speak in opposition:

"Madame Speaker, tax credits can be very helpful to stimulate certain areas of an economy. But generally, tax credits are not given to an individual, specific business or development. They're generally given to an industry. What's being envisioned here is to build a resort destination, which is not unlike the ones on Maui or in Kohala, my district. And

those hotels, from the Mauna Kea down to the Four Seasons in Kohala, and Kaanapali on Maui, they received no tax credit. They received no help from the government. They built their own attractions. You can swim with dolphins there and have all kinds of attractions, unbelievable art, beautiful beaches you name it. We have it and we do very well in Kohala. And I know that Maui does as well.

"This tax credit also is 'Oahu-centric' as it is not applicable to the other islands. It is not industry-wide. My big question is if we are really looking to stimulate the economy, it is far, far easier to help those people in existing businesses. Those people who have been investing in our communities, who have been constant employers for decades, who have been corporate citizens, they need to rebuild and revitalize and regenerate. And we are not doing anything for them. For the people who stood by us and invested in our community year after year, decade after decade, made payrolls week in and week out, hired and retired people. We are not helping those existing business. It is a lot easier to expand and bring up existing businesses than it is to start new ones. Here we are giving a gift a \$75 million gift to one entity, Ko Olina, and to one developer. I just don't think that it is a wise use of our tax money-public money.

"There are those who will say that if it is not built, then you don't get anything, so only if you build it do you get the tax break. Well that thinking is real irrational because all the other destination resorts have been built without these huge tax credits, and additionally, as they were represented by the former speaker, they are ready to stand up and invest up to \$615 million. That is a lot of money, \$615 million, on this project, and it hangs on this aquarium? This fish tank? Then maybe it is not a well-conceived idea to start with.

"If they need this, and this is what hangs in their balance, then maybe it is not a good business plan. Maybe we shouldn't be aggrandizing this one project. I just don't think it gives the appearance of fairness and equity. I don't think it gives the appearance to the general public that we are playing cards 'up across the table' because it is not for an industry. It is for one specific entity.

"Additionally it competes against those people that didn't have the benefit of a tax break, those corporations, those destination resorts such as the ones in South Kohala, and additionally the ones in Maui. So you are creating government subsidized competition for private industry. And you have to wonder if that is good government policy.

"And lastly, I just don't feel 'warm and fuzzy' about being just another 'sugar daddy.' Thank you very much."

Representative Kahikina rose to speak in support of the measure and asked that the remarks of Representative Ahu Isa be entered in the Journal as his own, and the Chair "so ordered. (By reference only.)

Representative Kahikina continued, stating:

"Thank you, Madame Speaker. I rise in full support of the measure. And I'd like to thank Chair Ahu Isa for 'shepherding' this measure and also for leadership for their support.

"Madame Speaker, may I just expand and say that this measure would establish a tax credit for a private development to develop attractions and educational facilities at Ko Olina and Marina. This does address a very economically deprived community for many years.

"The Representative from Kohala made mention of his situation back home. You know, our community has been trying to develop our community for many years, and we

support the resort development that Jeff Stone has planned. He has worked with the community. We don't have an attraction like the volcano erupting, and we always get a 'bad rap' because we get negative news all the time about Waianae and Nanakuli. We are trying to develop a community where right now, most of our residents have to travel sometimes two hours just to get to Waikiki to work in the hotels. We are the labor force and we want to develop our community into a first class destination. Do you 'gong' this community for working with its developers? Do you 'gong' a developer that is now encouraging a trust relationship with the community? Do you see other developers offering a percentage back to the State or back to the community? You hardly see that. This is what is happening with Ko Olina Resort, a relationship with the community to build the community.

"You go and you enter Ko Olina. You are greeted by people from the Waianae Coast. You go into the restaurants and to the hotels, you'll see our people working in these facilities, and this is what the community is encouraging. This measure will spur the further development of Ko Olina and the surrounding areas to the benefit of residents that will work there, and also to the benefit of the tourists. Thank you, Madame Speaker."

Representative Whalen rose to speak in opposition to the measure, stating:

"I can't speak for Maui, but from my personal experience, people on the Big Island work in the resorts of the Kohala Coast and North Kona. They're investing in the community. They provide support for various things, and they've done it without the tax credit. I think the point that is being made here is not that we want to discourage business, but this credit is restricted to one development, one area, and that doesn't seem fair. I think that is where the opposition is coming from.

"And that if we want to stimulate the economy, in all fairness, we should make that sort of tax credit available to whomever wants to come in and create jobs, etc., accordingly. It isn't in the matter of being anti-Nanakuli or anti-Waianae or anti-Jeff Stone or anything else. What it comes down to is just fairness for the other islands as well. Fairness for those areas that have worked hard to try to get it done on their own. And fairness to the other communities we have in this State that are struggling to make a living.

"I know I have friends that live in the Representative from Puna's district that will drive all the way out to Kohala. That is a much longer drive than from Waianae into Waikiki, and yet this credit could not possibly benefit the people on the Big Island. I think that is the basis for the opposition, at least for me and the other Representative from the Big Island, voting no."

Representative Moses rose to speak in support of the measure, stating:

"I can understand the argument that this tax credit is for an individual resort. It is not for an individual person by the way. It is for an individual resort and a consortium, because it includes Weinberg. The land comes from many places, from many entities. The money and the builders that are going into this come from many entities, not one. Jeff Stone is a manager. He is not the money man. He is not the developer. He is the manager. But that opposition aside, let me point out some things I heard.

"This is not a new resort. It is an ongoing resort. It is an established resort. It is a resort doing business today and doing business very successfully today. This is an expansion of the resort. Now when Jeff Stone was here, he also said, 'Now look, I got the idea of the aquarium because of the people that wanted

to build these gambling casinos who said they were going to build an aquarium for you.' He thought that was a good idea. The aquarium was a good idea, a world-class aquarium. And he can do it without building a casino. He got that idea from Sun International.

"Sun International by the way, never talked to anybody out at Ko Olina about building anything there, so he did not know where that came from. Neither do I.

"But the aquarium is a good idea, and the UH thinks it's a good idea, and the schools in the area think it is a good idea. Because they can not only learn at the aquarium, they can learn many things at the aquarium but they can also learn at the hotels, by working they're learning. So that is why it's considered an educational facility also.

"I want to stress again, the resort is there. It is thriving. It is doing business. This is an expansion and they are employing people now. Not only are they employing people in the hotels and other areas of the resort like the marinas, but they're also probably one of the biggest construction projects going on around the island. It's the only place on the island now where you see those giant cranes, those massive giant cranes. I don't see them anywhere else. I see them out at Ko Olina. So they are putting people to work, and as you heard, this will create thousands of jobs. Now I think that is good for the economy. Yes it's tax credit, so it is giving credit for money we don't have, for things we wouldn't have unless they have this extra incentive. I understand the argument again that this is for a specific entity, and by entity I mean the resort, not for a specific person. But offer it to everybody. Offer to anybody who wants to build an aquarium. Let them come in and build an aquarium. First they need to find the land. Next they need to find the financial backers. All of that is in place now. Thank you, Madame Speaker."

Representative Hale rose to speak in opposition to the measure, stating:

"I rise in opposition to this. I more or less agree with my colleagues from West Hawaii, and having originated in West Hawaii when I first came here, I am very sympathetic to the problems there. Now I represent a district that is quite similar to the district that I lived in, West Hawaii, which is South Kona. I represent Puna and Kau, and as the Representative from Kona mentioned, we do have people traveling from Puna to Waikaloa, and they are very happy to do it. We have people traveling from Puna to the top of Mauna Kea to work on the telescopes and they are happy to do it because they love to come back to Puna and live in their rural lifestyle without any traffic, without any big hotels. If anybody proposes to put a big hotel in Puna, they are going to regret it because nobody in the area is going to support it.

"But the reason why I am opposed to this is that I really don't believe that we should be spending our time and our economic development efforts supporting more expansion of tourism. We have to get off of the tourism bandwagon or we are going to be faced with the same problems as we were faced after 9/11 when the airplanes stopped bringing tourists to the island. We have to diversify our economy, and that is what we want to do in our area.

"We want small business. We want entrepreneurs. We want people who are independent, who are thinking, and who will build the economy and be independent of government and big industry. So I'd just like to set the record straight for Puna. Please don't bring us any hotels. We'll take your aquarium. We've got the best place in the world off of the Puna Coast for an aquarium. We don't mind the visitors coming down to visit

the aquarium. But we don't want any golf courses or resorts in our area. Thank you."

Representative Case rose to speak in opposition to the measure, stating:

"Thank you, Madame Speaker. I am in opposition. I wish to incorporate by reference the remarks of my colleagues from North Kona and South Kona, and I have a couple of additional points.

"You know, I don't blame the colleagues that represent this district for what they are advocating. I guess if I were in their position, I would advocate for that too. I would want to allocate the resources of the State to redevelopment that favored their district over other districts.

"But that is where the problems really lies. I don't think this is the right way to do it. This is a private tax credit for a private development for a specific project. It just takes the tax credit concept way too far. It takes it way too far. There is absolutely no reason to expect or believe that this development would not proceed without this infusion of tax credits targeted to this one area.

"When we give away tax credits, we take them away from somewhere else. We have had tax credits of general applicability, as we all know, fall by the wayside in the financial plan that we are relying upon in our budget today. Tax credits that we all think are important. It is all by the wayside because we allocated tax credit authority to this particular project. I don't think that we should go in that direction except on very compelling reasons. I don't think they are present here.

"Finally, I want to talk a little about this aquarium that we are all being sold. I want to emphasize to everybody that the tax credit bill that we are passing doesn't require anybody to build an aquarium. Now it's been sold as an aquarium tax credit. Great. We all want a world-class aquarium. We've been talking about that for years. I could frankly speculate whether that is the place to put a world-class aquarium. But the bottom line here is that when you look at the language in the bill that we are passing versus what the advocates have stated this bill says: what it says is that if a tax credit is given for qualified costs which are related to the development of facilities for attractions and educational purposes and for infrastructure directly related, including a world-class aquarium and other things. It doesn't say you've got to build an aquarium. They can build whatever they want that fits within that definition. It doesn't have to be public. They can charge what they want for it. They can build what they want for it. They don't have to build this aquarium. They don't have to build this marine science research facility, this international sports training complex, or the rest of it. It's just in there as an example. Legally they can do what they want.

"When we target public resources to a particular project, I think we should target those resources to projects that have a public purpose beyond simply the private resort itself. So I could conceive of it if we knew that they were going to be building something out there that we all thought was going to assist our tourism plant. Frankly, this language is so loose that they could build whatever they want out there and it would be within the definition, and we would have subsidized it. Thank you."

Representative Djou rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I am rising in support, and just very, very briefly. Madame Speaker, this legislative

Session we are putting very, very little into economic development and efforts to stimulate the economy. This is one of the very few measures out there. My druthers would prefer to see a broad-based tax cut to help stimulate our economy, but this is one of the few things we have, therefore I am rising in support of it.

"Furthermore, Madame Speaker. I'd also just very briefly I'd like to make the point here, that this tax won't go into effect until after this current fiscal year, but I believe we can begin to already see very quickly, generation of additional construction and additional economic development before our State even has to offer any of these tax credits. For these reasons, although I'd much rather see a broad-based tax cut, I do support this particular measure at this time. Thank you."

Representative Espero rose to speak in support of the measure, stating:

"Thank you. This legislation is about economic development and enhancing our most important industry tourism. It's about jobs, business opportunities, and equality of life in West Oahu. The Ko Olina resort has great potential, however due to economic conditions, its potential has not been reached. Today we can provide a tremendous boost to the West Oahu region by supporting this measure, which will give us a world-class aquarium, a marine science and mammal research facility, and other educational facilities. These world-class facilities will be the catalyst for further development which will include hotels, vacation ownership and timeshares. Eventually an economic engine will be created, which will bring in more taxes and provide jobs in an area which could use more employment opportunities. No public funds upfront are involved. No loan guarantees or revenue bonds are being considered. We just need to pass this bill and allow the private sector to do what it does best, and that is stimulate our economy.

"There is some concern and controversy that we may be setting up precedent on this measure. But if it does what it should do, we should use this as a model for further economic development in other areas of our State. There is no reason why this method of financing cannot happen on Maui, the Big Island, Molokai, Kauai or anywhere else on this island.

"The benefits to the State will be far greater than the tax credit being proposed. I repeat, the benefits to the State will be far greater than the tax credit being proposed. This project will be to Ko Olina, what the UH Medical School will be to Kakaako. The difference is it is being driven by the private sector. I urge all my colleagues to consider this bill for our island. Oahu is in need of economic stimulus, especially on the west side in terms of transportation. If we could provide the opportunities on that side, we may even relieve some of our traffic congestion."

Representative Magaoay rose to speak in support of the measure, stating:

"I'm not going too far with all that everybody has mentioned. This bill that we have is a stimulus. What it does is it would continue a dream that somebody had a long time ago, back in the 70s. Then, this developer went bust. This one has all infrastructure. We have all the coves out there. He had a dream to have all the hotels built. This is the way for the State to come in and help out.

"The other development I mentioned was through the City, through a certain Mayor, with a certain proviso. When you come in, you have to provide a certain donation. But what it does is it carried the future. That's what was indicated, what those coves were, compared to what it was before. The

infrastructure is there, and I would say it is just a stimulus package for us to take a look. Thank you, Madame Speaker."

Representative Chang rose to speak in support of the measure, stating:

"I look at this development as another attraction for the State of Hawaii that we don't have. And it was the dream of not only Herbert Horita to develop that area, but also the Governor had a dream that he wanted a first class aquarium for the State of Hawaii, to attract tourists and also for the students and children of our State.

"I'd like to compare this with the other State facilities like our Convention Center. It was built by the State. The land was purchased with State money, and we used debt service to purchase the Convention Center that we are still paying for. And although we realized from the very beginning that this wasn't a profit-making venture, we looked at the economic benefits of filling our hotel rooms and the added business that our tourists and conventioners would bring to the State of Hawaii. And this is the same concept that this aquarium will bring to our State. More so, because it is privately funded. We don't have any risks. And after 17 years, 50% of the net income will be returned to the State of Hawaii. Seventeen years is a long time, but eventually that will be repaid along with all the revenues in State taxes that will be accumulated over the years. And again, this is a magnet to attract other developers and other development in the area. And again, another attraction that the State does not have at this time. Thank you."

Representative Meyer rose in support of the measure and asked that the remarks of Representative Djou be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Morita rose to speak in opposition to the measure and asked that the remarks of Representatives Case, Rath and Whalen to be entered in the Journal as her own, and the Chair, "so ordered."

Representative Morita continued, stating:

"I just want to also say that with regard to the comments from the Representative of Puna, yes this development will still make Hawaii's economy vulnerable because we are still so dependent on tourism. There were other tax credits that were being considered that were put to the wayside that would have given Hawaii more economic diversity, as well as energy security, that would have bolstered up Hawaii's economy. And again, those were put on the wayside for an item like this."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes Madame Speaker, I wish to speak for the bill with some reservations. Well, they are minor reservations. The tax credit is unprecedented as far as the size, \$75 million. A few years ago we provided tax credits for hotels, 4% or 5%, and I remember we wanted, and the Representative from the Big Island, from Puna I think, wanted to get 20%. And the Governor vetoed it as I recall. He didn't even want 10%. So now this \$75 million is a huge amount of credit to be given to one developer.

"However, the only reason I am not voting against it is because I believe they are looking at a new policy, and at least to some degree, leadership is looking at it. Instead of it going into public building, they are going into private building and using the tax credit mechanism as an inducement to build with revenue generation for the future. This does not entail debt as

you would do in public construction. So there is some positives on this. So I am going *kanalua* on this, but I think we should be watching this very closely and see how it develops. It could be positive. Thank you very much."

Representative Ahu Isa rose to respond, stating:

"I just wanted to stand for the second time in support and in brief rebuttal to the Representative from Kohala, and just to let him know that the Conference Committee did pass out H.B. 2383 and S.B. 2831 to take care of our small business construction and our residential construction tax credits. And also, I just found it interesting to note that since he is the head of ALEC who advocate tax incentives, tax cuts and tax credits, instead of tax increases.

"To address the Representative from Puna, if we have all these entrepreneurs, who is going to come and buy all of our goods from these entrepreneurs. I remember taking a trip to Puna or to Kau to visit the school there when I was on the Finance Committee. As we approached the school on our little van, what did we see out there? Students who were smoking *pakalolo*. Now what we need are jobs, especially in the Waianae and Nanakuli districts. And if we have jobs we can address these drug offenders and these drug users who keep them busy."

Representative Garcia rose in support of the measure with reservations and asked that the remarks of Representative Souki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Rath rose to respond, stating:

"Thank you, in short rebuttal. Madame Speaker, first, none of the hotels in Kohala were built because we had a volcano. For everybody's edification, it is more than a hundred miles from anyplace in South Kohala to drive to the volcano. So that is not why they spent hundreds and hundreds and hundreds of millions of dollars on those beautiful destination resorts. They did it because of the beaches and the weather are the best on Hawaii. Not because of the volcano in East Hawaii.

"Additionally, I am probably the most ardent proponent of tax cuts you will find, and additionally I favor tax credits, because tax credits will entice an industry to develop, but that is an entire industry or a type of business. We've done this for high technology and other areas. We have done it for manufacturing. But if we are going to be specific, if we are going to say that okay, we want this type of development, then maybe its best to simply look at zones.

"Many cities, not so much states, but many cities have looked at different zones. They've taken areas that they felt were depressed economically, a lot of times because of a depreciating industry. We've seen that of course with sugar and pineapple. And if this was a bill that said there is \$75 million available for the Waianae Coast or the island of Molokai or both, I don't think you would find any objection. If it was open to all-comers who came in with a proposal to build some kind of resort or other business. If we did it, instead of by industry, by zone, I don't think there would be any hesitation. Specifically this is an industry that has proven itself in the State of Hawaii to be able to fund itself. To be able to build these resort destinations all over the State and to be able to do it without a lick of a tax credit. How come this one business plan out of the dozens and dozens of others has to be subsidized, is beyond me.

"Additionally, do we really need a fish tank? Is that really going to be a big attraction in the State of Hawaii? I don't know. I got an aquarium at my house to see the fish. You

know, it is a mess to clean too. I just think that the idea of allowing a tax credit for Ko Olina is one thing as an industry or zone area, but to specifically give this taxpayer gift to one development is probably not the wisest choice. Thank you."

Representative Davis rose in support of the measure and asked that the remarks of Representative Espero to be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2907, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 41 ayes to 10 noes, with Representatives Case, Hale, Jaffe, Leong, Marumoto, Morita, Rath, Takumi, Thielen and Whalen voting no.

Conf. Com. Rep. No. 101-02 and H.B. No. 2512, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2512, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC HEALTH NURSING SERVICES SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 2078, SD 1, HD 1, CD 1; S.B. No. 2724, SD 2, HD 1, CD 1; S.B. No. 2737, HD 1, CD 1; S.B. No. 1188, SD 2, HD 2, CD 1; S.B. No. 2867, SD 1, HD 1, CD 1; S.B. No. 2228, SD 1, HD 2, CD 1; S.B. No. 2907, SD 2, HD 2, CD 1; and H.B. No. 2512, SD 2, CD 1; passed Final Reading at 5:42 o'clock p.m.

Conf. Com. Rep. No. 102-02 and H.B. No. 1595, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1595, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Case rose to speak in opposition to the measure, stating:

"You know Madame Speaker, this looks like an innocuous bill, but it demonstrates a problem we have around here. A problem that whenever we accomplish reform we seem to go backward. Two steps forward, three steps back. And that is what's happening in this particular bill. It is a problem that we have to overcome if we are going to move beyond the status quo and accomplish real reform in Hawaii.

"Two years ago we passed out a civil service reform bill, which was by any account, less than sufficient to truly turn around our civil service system and move into the modern world. And that was Act 253. There was one part of Act 253 that we actually did right, and that had to do with excluded employees. Excluded employees are employees that are full-time civil service employees who are not covered by collective bargaining units. They are the employees that are pretty much all in the managerial ranks. And one of the principle observations that we made at the time was that these employees, because their compensation was linked to the result of the collective bargaining of the employees that they supervised, it created an inherent conflict of interest where they had a very difficult time managing effectively employees who they were really tied to in terms of the collective bargaining process, although they were not subject to collective bargaining. We are one of the few, if not the only state in the entire country that links our excluded employees, our senior management level employees, those that are not political

appointees. So it is that layer between political appointees and collective bargaining. We are one of the few that linked them.

"Now we came in two years ago and we said we are going to change that. We did the right thing. And we set up a system under which the employees would be de-linked from the collective bargaining result. And we set a system where we would compensate them based on what was decided, in consultation with them, to be the right compensation for them. And that set up an entire avenue of tools and management related resources that we could incentivize the excluded employees. Now the excluded employees didn't want that change. We did it anyway and we tried to move forward. The effective date of that de-linking was July 1, 2002. What we have in this bill is we're taking that back.

"This bill came out last year. It went into Conference. It sat dormant for an entire legislative Session. And then it kind of snuck out at the very end, because the Conferees and the excluded employees went in and came out with this bill.

"This is going in exactly the wrong direction. I said at the time that we hadn't accomplish civil service reform. That it was one of the biggest pieces of unfinished business remaining in this State. And again the reason it is so important, we saw it again this morning when we talked about the State budget. One way for us to balance the State budget over time, is to run government more efficiently, incentivize our public employees to provide them with the full range of management tools with which to get their jobs done. Now in this bill we move backwards. I really hope that this bill fails, either at this Chamber or as a result of the evaluation by the Governor. But this is going in exactly the wrong direction and for exactly the wrong reasons. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I rise in strong support of this measure.

"Madame Speaker, that is true. In Act 253 we did make some significant reforms to our civil service and collective bargaining laws, and one of them was to deal with the compensation for the excluded managers. Those who are civil service employees and not covered by collective bargaining. This bill probably did wait a year or so in Committee for a good reason. And that was to see what would be the outcome of the excluded managers working with the different personnel officers of the different employer groups, Neighbor Islands, the City, the counties and the State, to come out with a scheme by which it could be evaluated in the most scientific and objective method as far as giving one compensation based upon performance.

"What we found out earlier this year is that several of the employer groups have opted out of this particular civil service reform. And the reason being so is that they have not come to an agreement as far as what is a fair system that would give some kind of objective measurement to reward or not reward those managers in their performance of their duties.

"Just for the record, Madame Speaker. It is my understanding that the County of Kauai will be opting out of this system. So would the Judiciary, and so would the City and County of Honolulu. I think it needs to be impressed upon the membership that part and parcel of any kind of compensation system is an objective, scientific method of evaluating your employees and their performance. The current practice does not and is unfair to the good performing managers, and punishes them along with the bad performing managers. For these reasons Madame Speaker, I support this measure. Thank you."

Representative Djou rose to speak in opposition to the measure, stating:

"Madame Speaker, as the Representative from Manoa has already pointed out, too much of our State government is blurring the distinction between labor and management. This particular measure further blurs that. And blurs it in favor of labor and unions, and away from management. This is a bad bill. I hope if it does pass, it is vetoed. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1595, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," passed Final Reading by a vote of 36 ayes to 15 noes, with Representatives Auwae, Bukoski, Case, Davis, Djou, Gomes, Jaffe, Leong, Meyer, Moses, Ontai, Rath, Stonebraker, Thielen and Whalen voting no.

Conf. Com. Rep. No. 103-02 and H.B. No. 2276, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2276, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 104-02 and H.B. No. 2500, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2500, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATUTORY REFERENCES AFFECTED BY ACT 253, SESSION LAWS OF HAWAII 2000.," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 105-02 and H.B. No. 2525, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2525, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Gomes rose to a point of inquiry, stating:

"I have a question for either the Conference manager or any House manager, if they would yield to a question. My question has to do with this bill, which is entitled 'A Bill For An Act Relating To Public Works Projects'. And the question that I have is, would this bill require entities like Network Enterprises, which is a non-profit entity that contracts with the State on occasion, to provide basic construction skills to physically and mentally disabled individuals. Would this bill require a non-profit organization like Network Enterprises to comply and to pay the prevailing wage? That is my question."

At 5:59 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 6:08 o'clock p.m.

Representative Gomes rose and stated:

"Madame Chair, thank you. And thanks to the Co-managers and the group they had there. I think they answered the question I had, and confirmed my reservations. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2525, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS PROJECTS," passed Final Reading by a vote of 41 ayes to 10 noes, with Representatives Djou, Gomes, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Thielen and Whalen voting no.

Conf. Com. Rep. No. 106-02 and H.B. No. 2018, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2018, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LEASES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 107-02 and H.B. No. 1950, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1950, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Madame Speaker. I am rising in opposition to 107-02, and just very briefly. I've already stated my opposition before. But also I would just like to note that I believe that the passage of this legislation will expose our State government to liability in a lawsuit. I think it would be a bit wiser for us to stay on the side and see what happens with the cases that are already going through the court system on this particular measure. Thank you."

Representative Kahikina rose to speak in support of the measure and asked that his chart be inserted in the Journal, and the Chair "so ordered."

Representative Kahikina continued, stating:

"Thank you, Madame Speaker. I stand in strong support of the measure. And I should really thank Representative Takumi for all his hard work for all these many years of bringing this bill to its present debate here on the Floor. And also thank you to Representative Arakaki for his help. But more so to you, Madame Speaker, and to leadership for supporting this measure that would help a whole bunch of people in the State of Hawaii. Also, a personal thank you to Ms. Kate Stanley from the Department of Human Services and Dr. Chandler, the Department and staff for working so hard along with us.

"This bill Madame Speaker, establishes a Medicaid prescription drug expansion program to make prescription drugs more affordable to individuals whose income is at or below 300% of the federal poverty level. It also creates a Medicaid Prescription Drug Rebate Special Fund. It appropriates \$1.5 million to this special fund to get this program started and it also requires the appropriated funds to be reimbursed. Let me repeat that. The \$1.5 million would be reimbursed by the program at the end of fiscal year 2005.

"If you don't know how this program works, for those of you who really didn't read the bill, this works for me because I need something to look at.

How It Works	Eligibility
Consumer pays Medicaid price (includes dispensing fee of \$4.67) - \$1.00 State contribution.	300% FPL An individual - \$30,600
Starts March 2003	Family of 2 - \$41,220
Appropriation for FY03 is \$1.5 million (+/-)	Family of 4 - \$62,460
Budget requests for FY03 & FY04 to be paid back to general fund by 06/30/05.	Must be: US citizen Hawaii resident Have Social Security Number
Additional Savings to consumer when manufacturer rebates are received.	

How it works is that the consumer pays the Medicaid price which includes a dispensing fee of \$4.67, minus the \$1 State contribution. It starts in May 2003. The appropriation is \$1.5 million, which I said will be reimbursed by 2005. The budget request, as I said, will be returned by June of 2005, an additional savings to the consumer when manufacturer rebates are received.

"Now who is eligible? Anyone who is at or below 300% of the federal poverty level. That will bring in about 80% of our people. That is 80%, including our kupuna in Waianae. I am told possibly 90%. Some have Medicare and they can go to the doctor. They can get analyzed and prescribed, but they can't pay for the prescription. So this will help our people.

"What does it come out to? A family of one with an income of \$30,600. A family of two with an income of \$41,220. A family of four with \$62,460. I am told by many of my constituents that this would help them. They must be, I repeat, they must be a US citizen. They must be a Hawaii resident. And those of the Hawaiian Sovereignty movement that do not want to have social security numbers, they cannot qualify because you would have to have a social security number.

"This is good for our people, Madame Speaker. I am asking that this whole House would support a measure that would help, especially our senior citizen, in affording medication and extending their lives and creating a much more peaceful and healthier life. Thank you."

Representative Lee rose to speak in support of the measure, stating:

"This is an example of the Legislature looking at people's problems and instituting needed remedies. According to the Government Reform Committee of the U.S. House of Representatives, seniors without prescription drug coverage in Hawaii pay a 123% more for the five most commonly used drugs than do favored customers such as hospitals, HMOs and government agencies. And presumably other younger non-covered individuals also pay exorbitantly high prices for prescription drugs as well. This bill is designed to help close the gap in prescription prices for lower income individuals.

"According to estimates published by the National Conference of State Legislatures, prescription drug spending rose by 18.8% nationwide in the year 2000. Not surprisingly, the share of healthcare dollars spent on prescription drugs has risen from 5.4% in 1990, to 8.5% in 2000. While spending on prescription drugs may in some cases reduce overall healthcare expenditures, because the efficacy of new drugs avoid hospital

stays or other healthcare costs, if a person has no prescription coverage, the out-of-pocket expenses can be overwhelming. This bill is designed to lower those out-of-pocket expenses for lower income individuals.

"According to Census Bureau statistics, in 1997, Hawaii led the nation in percentage of individuals with healthcare coverage. In 2000, Hawaii had dropped to number 12. Part of this decline represents improvement in other states, but part can be attributed to falling coverage rates here. H.B. 1950 will help to alleviate the ill-effects of lower coverage rates. In many cases the poorest members of our society are also the ones who lack coverage and this bill is targeted at the challenges they face in receiving adequate, affordable medical care. Thank you."

Representative Marumoto rose to speak in support of the measure, stating:

"I support this particular bill because it is an existing program, so I don't think you have to have another bureaucracy to administer it. It is needs based, and I think that's important. It means that it is for people with certain income or lower. However at 300%, if it covers 80% of the population, maybe it is very generous. I believe that we do need help for prescription drugs which are getting very expensive. I am really hoping for a national program to be developed. I think the national administration may put one forward and that would simply help everyone in the country.

"I do believe that the other bill which is pending, the Hawaii Rx Program, is not needs based, and it is for everyone in the State including people who may be very wealthy. I don't quite understand why there are two bills moving forward and if someone could educate me, I would very much appreciate it. Meanwhile for this bill, I am voting up. Thank you."

Representative Takumi rose to speak in support of the measure, stating:

"I'd like to add a few comments, but in response to the previous speaker, when the next bill comes out I would be more than happy to do some educating on that.

"On H.B. 1950, the Representative from Nanakuli explained how it would work. Clearly it would have impact on a great number of people out there for the 228,000 people who don't have any drug insurance.

"What kind of savings are we looking at? Take Lipitor for example, and I'll use that as an example because I take Lipitor for high cholesterol. It is the sixth most expensive drug prescribed for seniors. For a 10mg pill, at 30 pills, you go to Longs and the retail price is \$78.70. The Medicaid price is \$57.47, a savings of 27%. This is before the rebates kick in as the Representative from Nanakuli explained. It is a two-tiered approach to this.

"Initially when the bill is implemented next year, anyone walking into a participating pharmacy, and I might add that every pharmacy in the State of Maine participates in this program. No one decided not to participate. And I anticipate that we'll have the same amount of participating pharmacies in Hawaii. With 27% at the front end when the rebates kick in and on average, again, it depends on the drug and it depends on the companies. But the rebates generally average 12% to 15%. You add that to the 27%. We are looking at a savings of 39% to 43% on Lipitor alone. Granted, on the generics you are going to have smaller savings, but I use that just as an example of someone out there who is taking Lipitor and instead of paying \$78.70, will ultimately pay something like \$43. That is not \$5 or \$10 like the kind of co-payments that all of us here

enjoy. Madame Speaker, I would assert that is a great start and that is something we should do, and I am glad we are doing it tonight. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1950, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Djou, Fox, Gomes and Jaffe voting no.

Conf. Com. Rep. No. 108-02 and H.B. No. 2072, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2072, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ahu Isa rose to speak in support of the measure, stating:

"Madame Speaker, I just want to thank the Conferees on this bill because it is sorely needed. In my district, I have Mayor Wright Housing and it is really a shame what is happening there with the condition that the housing is in and how the tenants are being evicted. So I just want to thank the Committee and the Women's Caucus. I notice it is our bill too. We thank the Committee. Thank you."

Representative Case rose to speak in opposition to the measure, stating:

"Thank you, Madame Speaker. I rise in opposition to this measure and I take absolutely no pleasure in opposing this measure on the merits. This is a good program. I agree with the prior speaker. But this money comes out of the 'Rainy Day' Fund. This money comes out a Fund that was established to provide for true emergencies.

"We just set this Fund up. We just put money into this Fund. We have about \$30 million in this Fund. We have been trying throughout the entire 1990s to get a 'Rainy Day' Fund started. As soon as we got it started, we started spending it. We didn't spend it on emergencies. We spent it on maintaining government at a cost level, which is above the ability of our economy to sustain it. This money is history, this year. What are we going to do next year?"

"I would have been glad to vote for this program had it been incorporated in the budget. Had it been prioritized in the budget, and in fact I believe that by the means that we are taking today to set this bill apart from the budget, and by the way this goes for another bill later on, which we will cover, we are basically circumventing our budget process.

"We all know what we've done. We all know how this bill came to pass. We all know that the reason this bill is sitting in front of us is because in the normal process of trying to prioritize spending in government and balancing our budget concerns that are raised, that this program wouldn't make the grade. And therefore this program came out of the 'Rainy Day' Fund. That is not doing our job.

"If we decided this program is needed, prioritize it in the normal course in our budget. Don't go spending this 'Rainy Day' Fund. Keep your hands off the 'Rainy Day' Fund. You think we are not going to need it in one year? Maybe we are going to be in a real emergency then, but by the way, we are down \$10 million off of \$30 million. We have to find another way and I have to say no to this bill. Not to this program, but to the use of the 'Rainy Day' Fund."

Representative Rath rose to speak in opposition of the measure and asked that the remarks of Representative Case be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Rath continued, stating:

"I didn't vote against this because of the bill itself, but because it was taken out of the 'Rainy Day' Fund, this, as well as the previous bill, S.B. 1188 for drug treatment. Neither of those votes, just for the record, or other votes for other appropriations that were made out of the 'Rainy Day' Fund were because of the merits of the bill. It is because I disagree with taking that money out of that Fund at this time for these programs. And I just wanted to get that on the record. Thank you."

At 6:13 o'clock p.m., Representative Arakaki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 6:16 o'clock p.m.

Representative Kahikina rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I am in strong support and I just wanted to add some words because I am trying to understand the opposition, because they do mention that this item, in the normal course of times, that it should be funded, and I do agree that this should be in the budget base. But unfortunately, these are not normal times and this is in reaction to the events of September 11th.

"As you all know, we came in for a Special Session and we created the EAGL Fund. You know, Madame Speaker, I know that this Session is a challenging one because of not only of what is happening to the world and to our country, but also what's happening at home too. Because we were dealing with these issues even prior to the September 11th attack. As we were going through the course of the debate through this legislative Session, we were called all kinds of names, and that we robbed and ripped-off. You know, it got to the point where people were saying, 'What else are you robbing?'"

"If you look at the needs of establishing these services for the very needy people, you know, I am at the point that if I am robbing them, then call me Robin Hood. And if we are Robin Hood, and we are looking at the benefit to the people of our State, then join the merry men and women, that you are bold enough to say that you would take whatever steps it would take to protect the very vulnerable, especially the very needy people of our State. I just wanted to add that for the record. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2072, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WELFARE," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Case and Rath voting no.

Conf. Com. Rep. No. 109-02 and H.B. No. 2638, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2638, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"I realize that long-term care is a problem. We've discussed this at length. My opposition to this measure however, is that it is focused entirely upon raising taxes to finance this long-term care plan. It is not looking at private insurance. It is not looking at tax credits. Instead, it is solely devoted and believes that the only way we can fix this long-term care program is through a State program, tax financed. And furthermore, this tax game has no mandate in it that would be revenue neutral.

"I don't believe that this is the correct direction of public policy for our State. I believe that we should be looking at all models, including tax credits, including the use of private companies and private insurance. And if we do absolutely have to use the tax-based scheme, that tax-based scheme should be revenue neutral. So consequently, I cannot support this measure and I am rising in opposition. Thank you."

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I am in strong support. And Madame Speaker, before I give my remarks, I want to state publicly my thanks to the Executive Office on Aging and their Executive, Marilyn Seely as well as their consultant Dr. Lawrence Nitz, the Coalition for Affordable Long Term Care, FACE or the Community of Faith, our First Lady, Mrs. Cayetano, our House leadership, my Co-chair, the Chair of the Human Services and the Vice-Chair of the Finance Committee, as well as my counterpart, the Chair of the Health and Human Services Committee in the Senate for their support and leadership on this issue.

"You know, earlier this month, there was a Second World Assembly on Aging in Madrid, Spain. And at that time there were predictions which they considered almost cataclysmic because if trends continue as they are now, one of three persons will be older than 60 in 50 years, totaling three billion seniors. And I think if we look at the composition on this Floor, that probably applies to us too. The delegates heard that even before world populations reach that number, there could be a worldwide economic crisis unless reforms are instituted to meet the challenges of the graying of this world. Blessed with longevity and a culture of honoring older people, Hawaii must take up this challenge.

"So what are we doing here in Hawaii to meet the challenge? We believe this bill demonstrates that we are willing to take that first step towards establishing a 'base camp' for long-term care. This is an important milestone and one, which we should celebrate. It has been many years in coming, but we're still only half way up that mountain. And it covers the horizon in all directions. We must keep the momentum going, that has been started this Session, or we will keep sliding off the slide of the mountain, never getting to the top.

"This program is about people, your grandparents, your aunts, your uncles, your mom and dad, your spouse, and even you. Finding ways to help folks pay for the care they need is crucial. When this program is put into place, it will put money directly into the pockets of those here in Hawaii that need it the most. And in turn it will create the jobs and agencies and sales of products that will stimulate the entire long-term care industry. Make no mistake, the service industry that supports the fastest growing segment of our population must grow if it is to keep up with the growth of people who use the services. It is a people-oriented industry. It is local and it will support small local businesses, while in turn, support frail, disabled folks and their caregivers.

"There are many parts to this long-term care puzzle and it is going to take an enormous effort to hit this problem head-on in ways that make a difference. We will need funding from a variety of sources including Medicaid, Social Security, retirement funds, out-of-pocket payments, as well as private long-term care insurance.

"Social insurance is a choice of funding for every developed country in this world. Japan, Germany, France, Australia, New Zealand, Italy, and on and on. Even the Comptroller General of the United States, the Honorable David Walker, recently encouraged Congress in his testimony before the Senate Committee on Aging to consider a social insurance model. Despite the problems Medicaid and Medicare and Social Security, our social insurance programs have served people well. And where would we be without them? We simply cannot rely on existing solutions for such large issues. We must be bold and forward thinking.

"Hawaii is at the forefront of the world's longevity revolution and so we must be healthcare revolutionaries. This Body has demonstrated its commitment to this issue by bringing forth this legislation. And we look forward to many exciting and innovative approaches that will once again make Hawaii the first in the nation to take these bold steps. And we can do no less than this. Thank you, Madame Speaker."

Representative Yonamine rose to speak in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Yonamine continued, stating:

"Let me say that the people whom Representative Arakaki mentioned, who have worked real hard on this bill, that includes many right here in this Body, and so we need to congratulate them for the long years of planning and putting together these two bills that are before us.

"But like I said last year, and I told my colleagues that you have to make a decision on raising the tax. And if you pass the actuarial study that we had last year and we put together enacting legislation, we all have to make a decision. So here it is this year. We are going to make decision maybe next year. So colleagues, you all have to take a look at funding this long-term care program and make a decision on how you are going to fund it.

"One possibility, a distinct possibility has to be then put together in a report, and that is a possibility of raising the tax.

"The other real bad thing about this program is this. The general public is generally uninformed about long-term care. They don't know if it's a priority, an urgency, a real critical issue with the elderly and their siblings. And they don't because of this lack of information.

"We need to do a better job of informing the public this year. There is nothing here in this bill to do that, or nothing with all the coalitions. They need to really get out into the public and inform the public that this is a critical need, that we need to do something about, and of the possibility of raising taxes as a funding source for dedicated revenues. That is a possibility that we would need to make a decision on next year.

"But in the meantime, these two bills are moving along real well and I congratulate all of you for moving this. Thank you."

Representative Yonamine's written remarks are as follows:

"I stand in strong support of H.B. 2638, which creates the Hawaii long-term care financing program, and appropriates

funds to support the process of researching and designing this comprehensive new program.

"H.B. 2638 is both responsible and forward-thinking, and will be of great future benefit to all Hawaii residents. Many of us may not be looking ahead to the expense of long-term care costs for ourselves and family members, but in order to find ourselves prepared in the future, we must act now. I believe that this measure is urgent and absolutely necessary in providing for the current and future needs of our growing and aging population.

"H.B. 2638 outlines a clear-cut plan for establishing a board of trustees to design and administer a statewide long-term care program, ensuring that the plan is fiscally sound, affordable and adequate in scope. This board will also develop policy guidelines to make certain that the content and delivery of long-term care services are reasonable and beneficial to the population. A set of well-thought out, comprehensive, and clear policies on long-term care in Hawaii is essential to the success of all our future efforts.

"The reports of the board of trustees will guide us in making the best choices in financing long-term care. I strongly feel that this is a wise and prudent action on the part of the Legislature, because providing for long-term care will clearly involve a substantial financial commitment on the part of the public and the State.

"There are many compelling reasons to establish a long-term care benefit fund. In recent testimony, we learned that costs for long-term care are expected to triple in the next 50 years. It is imperative that we, as a State, take action now to establish a funding source that will allow all of our citizens to have access to long-term care in the future. This Legislature's approval of H.B. 2638 is the first step in solidifying our commitment to this ideal."

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I speak in support of this measure.

"According to the testimony of David M. Walker, Comptroller General of the United States, before the Special Committee on Aging of the U.S. Senate, any consideration of long-term care financing must keep in mind that long-term care is not just about health care-it also comprises a variety of services that an elderly or disabled person needs to maintain the quality of life such as housing, transportation, nutrition, and social support.

"According to Walker, there are several considerations, which need to be made when shaping proposals.

- 1)Determining societal responsibilities.
- 2)Considering the role of social insurance.
- 3)Encouraging personal responsibility.
- 4)Recognizing the benefits, burdens, and costs of informal caregiving.
- 5)Assessing the balance of State and Federal responsibilities.
- 6)Adopting an effective implementation system.
- 7)Developing financially sustainable public commitment.

"In coming years, the sheer number of aging baby boomers will swell the numbers of elderly with disabilities and the need for services in our State. In addition, as I have stated many times on this Floor, the change that is apparent in Hawaii is the swelling ranks of those over 80 - or the elderly. We cannot

continue to deny that we have a problem. There is no doubt in my mind that in addition to private sources of long-term care insurance, we must decide whether society should supplement those services.

"There is no doubt in my mind that government will have to take a role beyond encouraging people to buy insurance. A recent GAO report suggests it may soon be necessary to institute voluntary or mandatory social insurance to assist broad groups in our society.

"In many ways, we here in Hawaii are on the cutting edge. This bill is a start to addressing our growing long-term care crisis.

"In the words of Terry Morton, New Hampshire Health and Human Services Commissioner, 'if we don't find some alternatives for financing long term care, it is going to bust the bank, not just for New Hampshire, but for the country. This is bigger than social security and Medicare.'

"I urge the members to support this bill. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2638, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Auwae, Bukoski, Djou, Gomes, Jaffe, Leong, Meyer, Moses, Ontai, Rath, Stonebraker, Thielen and Whalen voting no.

Conf. Com. Rep. No. 110-02 and H.B. No. 2311, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2311, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO JUDGES FOR THE CIRCUIT COURT," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Djou and Thielen voting no.

The Chair directed the Clerk to note that H.B. No. 1595, HD 1, SD 1, CD 1; H.B. No. 2276, HD 2, SD 1, CD 1; H.B. No. 2500, HD 1, SD 1, CD 1; H.B. No. 2525, HD 1, SD 2, CD 1; H.B. No. 2018, HD 1, SD 2, CD 1; H.B. No. 1950, SD 2, CD 1; H.B. No. 2072, HD 2, SD 1, CD 1; H.B. No. 2638, HD 2, SD 1, CD 1; and H.B. No. 2311, HD 2, SD 2, CD 1; passed Final Reading at 6:29 o'clock p.m.

Conf. Com. Rep. No. 111-02 and H.B. No. 2165, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2165, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 112-02 and H.B. No. 2353, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2353, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 113-02 and H.B. No. 2192, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2192, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 114-02 and H.B. No. 1777, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1777, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 115-02 and H.B. No. 2468, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2468, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CEMETERY AND FUNERAL TRUSTS," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 116-02 and H.B. No. 2164, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2164, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 117-02 and H.B. No. 2752, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2752, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Kawakami rose to speak in support of the measure, stating:

"Thank you, Madam Speaker and colleagues. I'd like to speak in support of H.B. 2752 this is the professional and vocational licenses, student loan bill.

"This measure would allow the suspension or denial of the professional or vocational licenses of persons who defaulted on their student loans. Student loans provide an excellent opportunity and make higher education a possibility for all, and it is important that those who make use of this economic benefit fulfill their financial obligation.

"According to the University of Hawaii's General Accounting and Loan Office, there are over 1,000 delinquent student loans under the State Higher Education Loan Program which amounts to over \$2 million. Many of those who defaulted on these loans seem to have no intention of paying them back. Some of them for over 23 years have been delinquent. This program is entirely funded by the legislative appropriations and unpaid loans means lost taxpayers money.

"Hawaii has the 11th highest default rate in the nation for the U.S. Department of Education Federal Family Education Loan. This is one of the most commonly administered loans for undergraduates and graduate students. The suspension or

denial of a professionals license would be used as a last resort measure after all attempts at collecting has failed. A student loan recipient is still given every opportunity to enter in a repayment schedule. H.B. 2752 would both deter defaulters and encourage repayments. It targets persons who ignore their financial responsibility by imposing a penalty they must take seriously. These loans must be repaid in order to ensure the continued viability of student loan programs. So for these reasons I urge your support for the measure.

"I want to thank the Conference Committee, Conference Committee Chairs and the members for their diligence for seeing this measure through so that more of our students can compete for higher education loans. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2752, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

Conf. Com. Rep. No. 118-02 and H.B. No. 2453, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2453, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CAPITAL LOAN PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Moses being excused.

The Chair directed the Clerk to note that H.B. No. 2165, HD 1, SD 2, CD 1; H.B. No. 2353, HD 2, SD 1, CD 1; H.B. No. 2192, HD 1, SD 1, CD 1; H.B. No. 1777, HD 1, SD 1, CD 1; H.B. No. 2468, HD 1, SD 1, CD 1; H.B. No. 2164, HD 2, SD 2, CD 1; H.B. No. 2752, HD 1, SD 1, CD 1; and H.B. No. 2453, SD 1, CD 1; passed Final Reading at 6:33 p.m.

Conf. Com. Rep. No. 119-02 and H.B. No. 2454, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2454, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENTERPRISE ZONES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 120-02 and H.B. No. 1969, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1969, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," passed Final Reading by a vote of 41 ayes to 10 noes, with Representatives Auwae, Djou, Fox, Gomes, Jaffe, Marumoto, Meyer, Moses, Ontai and Stonebraker voting no.

Conf. Com. Rep. No. 121-02 and H.B. No. 2480, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2480, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL BUS FARES," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Djou, Fox, Gomes, Moses, Ontai, Rath, Stonebraker and Whalen voting no.

Conf. Com. Rep. No. 122-02 and H.B. No. 2212, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2212, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ALIEN INVASIVE SPECIES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 123-02 and H.B. No. 2006, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2006, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL WASTES RECYCLING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 124-02 and H.B. No. 1256, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1256, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Hale rose to speak in support of the measure, stating:

"I just want to give credit to the Chair of the Conference Committee on the House side, Representative Hermina Morita. She did an impossible job. The Representative from Kailua and I, although not on the Conference Committee, were very interested in this bill because we were on the Conference Committee for the next bill which didn't pass, but that is all right, because we have a beverage bottle bill. And I just wanted to say that without the vision and knowledge and leadership of Representative Morita, that bill would never be before us today. I thank her."

Representative McDermott rose to speak in opposition to the measure, stating:

First, I'd like to congratulate the Chair for getting this through. That is an example of perseverance and hard work and dedication. I don't agree with the underlying measure and please, don't take it personally. I like her very much, and the Representative from Kailua as well. But I just disagree with the subject matter.

"I know it's hard not to take these things personally sometimes, especially because such a project as this was so heartfelt. So I don't want to be too inflammatory."

Representative Kawakami rose to declare a potential conflict of interest, stating:

"My family has retail businesses," and the Chair ruled, "no conflict."

Representative Kawakami continued in opposition to the measure, stating:

"Thank you. I firmly believe in recycling and protecting our environment however, I cannot support the bill because of the logistics of the bill and the economic impact on businesses. Thank you."

Representative Rath rose to speak in support of the measure with reservations, stating:

"I too, think there are some flaws in the bill as far as rural collection centers and small stores being impacted and the like,

but hopefully they will be able to work them out in the interim. I just don't foresee the State handling this very well but I am willing to wait and see. Thank you very much."

Representative Gomes rose to speak in opposition to the measure and asked that the remarks of Representative Kawakami be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Gomes continued, stating:

"Thank you, Madame Speaker. Just to comment that there is another bottle bill that we passed out that I do support, and did support."

Representative Meyer rose to speak in opposition to the measure, stating:

"I too, was very interested in the Conference Committees to see what would come out of there on the bottle bill. And I must say that I was appreciative of the questions that the Conferees on the Senate side had and the suggestions that they made to this bill. They seem to be far more cognizant of how far-reaching and how many people this bill will effect. They had a sensitivity to how business will be affected. They seem to grasp what a bureaucracy this bill will create. Because of some of their suggestions came from their desire to find out from the Department of Health how many people would be needed to run this program and what it would cost. There is a provision in this bill that states that those positions will be temporary.

"I've received quite a few letters about this bill encouraging me to vote no. I had truly thought about voting yes with reservations. That might be the more politically correct thing to do. But and I know that this bill will pass. There are adequate votes, but I am voting no.

"While this bill is meant to recycle which I think we are all in favor of, and I know that it will be helpful as far as handling some of our litter problems, my concern is that the cost this bill is touted as helping with the problem that we have with landfills. But in reality, it will only reduce about one and half to two percent, by volume, of what goes into the landfills.

"The bottling people did present a plan to recycle at the curb. Many more items would be taken out of the waste stream, somewhere in the neighborhood of 35% to 40% of the waste, at a cost equal or lower than what this bill will cost the people of Hawaii. On the House side, nobody ever acknowledged the hidden costs. Unfortunately, it didn't do much good. I think it was a little late.

"The grocery stores weighed in on this in the last few weeks of the legislature. They made it clear that there would be a cost somewhere in the neighborhood of \$7 million on their part for having to handle the recycled products that came back if there wasn't a recycling facility close by. That \$7 million will be passed on to the taxpayers of Hawaii in higher cost on foods that you buy at the grocery store.

"There is a problem for bars and restaurants. They are already doing a pretty good job on recycling. But now with the deposit, the wholesalers will charge them 5 cents per container. And it will be their responsibility to get these to recyclers at added cost, which will be passed on to the visitors and the people who live here in Hawaii.

"There is another problem with the bill in that the transfer of the deposit money to the recyclers will take time, and so these bars and restaurants will have to wait up to 6 to 9 months before they get their deposits back. The recyclers will also have to wait.

"A good thing in this bill which came out through the Conference Committee is that there will be a sort of taskforce put together and also this will not kick in, this program will not be fully implemented, until 2005. So that will give people time more time to have public hearings to let the public weigh in. I think that's a very positive step.

"Overall, I think we're just sort of jumping into this when other jurisdictions are bailing out such as Columbia, Missouri. I think the better way to go would be to explore the curbside recycling which is done in Texas and in the State of Washington. It could be done at a reasonable price and we would truly start to handle the problem with our landfills. Thank you, Madame Speaker."

At this time the Chair recognized Representative Souki who stated:

"Thank you, Madame Speaker. I was waiting for the maker of the bill to speak and to defend her bill. I think she wants to wait until everybody speaks so she can rebut what we are saying. I'm sorry. I need a drink, Madame Speaker. A real drink, I am sure Bob will join me."

The Chair responded, stating:

"If you want, I can call on you later."

Representative Souki rose to declare a potential conflict of interest, stating:

"Madame Speaker, may I declare a potential conflict of interest? I am a member of the Board of Directors of Maui Soda who bottles and cans soda water," and the Chair ruled, "no conflict."

Representative Souki continued in opposition to the measure, stating:

"I of course speak against the bill. The bill is very noble and it tends to rid the countryside and the cities of litter, and this is very good. We all want litter to be out of our community. However, the bottle bill will result in only approximately 1% to 1.5% of the total litter that we have, Madame Speaker. So it is not going to really resolve the problem of litter that we have in our community.

"Also, the problem with this bill is that it is basically a tax on the people of the State of Hawaii approximately \$20 million a year. To give you an example, in the State of California where they have a redemption of about 52%. It costs the state about \$27 million. And if you going to 70% or 80%, as is predicted here, it will cost us between \$20 to \$23 million a year. Those are dollars that are being taken out of the community.

"Some of the other arguments that have been brought out as far as how it is going to affect our hotels and businesses, restaurants. All of them are going to be affected somewhat by this redemption problem. Storage is going to be a problem. This is going to take time for redemption, the collecting of the money and transporting the cans and bottles. Madame Speaker, there are many potential problems with that, and maybe with the affects of this, having two more years might not be a bad idea. Hopefully if this bill passes, which I suppose it will, that within the next two years we can go out into the community and get a good feel as to how the public really wants this. Do they really want to spend \$20 million more a year that is coming out of their pocket?

"It has also been estimated that for the average family, if they return about 30% as they have done in the past, it will cost

them about \$13 to \$14 a month. And they don't get to that 80% level. So this is a huge burden on the family. So with this Madame Speaker, I would hope that if the bill passes, that we will take a good look at this bill over the next two years. Thank you very much."

Representative McDermott rose to speak in opposition to the measure, stating:

"Madame Speaker, I apologize. I tried to hold back but I just couldn't. This is my last session and I haven't spoken much tonight. I am sorry, but I just have to say a few things and I will be brief.

"If you go to Longs, last Sunday, Coke was on sale for \$3.99 a 12-pack. If we pass this bill the minimum that it would be on sale for would be \$4.60. That is a real world impact. From here out to my district in the Foster Village, the Aiea area, it is just crawling with two- and three-story walk-ups and I don't know where those people are going to store the cans. In fact, I presented that question to my Kalihi *compadres* earlier. Where are they going to store the cans? I suppose they could put it in a Hefty bag and it would make a nice center piece on the dining table, but I am not quite sure where there going to store those cans.

"Now let's take a look at the people at Mayor Wright Housing. Where are they going to store their cans? Well, they shouldn't be drinking soda anyway, right? We know better for them. They should be drinking milk. Well, they are going to drink soda and they are not going to have any place to store their cans. I mean that is a real practical consideration. We talk about the environment, but the quality of life is also part of our environment and it is going to increase the cost for everybody. Because I have a yard, I can segregate my plastic and I can segregate my cans. I have space to do that, but not everybody has space. In particular, take a ride down Dillingham Boulevard people just don't have space and they are going to be forced to eat that cost every month.

"Now what happens, Madame Speaker, when we have extra money in this Fund, which we will because not everybody is going to recycle? What happens when we have \$5 or \$6 million in that Fund just sitting there? What are we going to do with it if we need it? We are going to take it and then we are not helping the environment at all. So I think the environment for people is very important.

"We've heard figures that it is less than 1% of the waste-stream. You know, if we really care about the environment there is technology out there. Now we can go mine the landfills and burn that stuff, and make energy and reclaim that land. We should be looking at the big picture like that. Of course you've heard other places have stopped doing it. New York City's Mayor Bloomberg is scrapping the recycling plant because it just doesn't work.

"But my concern is the cost of living, an increase from \$3.99 to \$4.60 a twelve pack for soda. You say well, you can collect the cans afterward and store them up and it doesn't cost you anything. You can take a ride to the redemption center when you guys are done. Well nobody wants to do that, and we are forcing people to behave in a certain way because we think we know better. I've knocked on doors for six years and no one has ever said, 'Hey, I want to pay an extra nickel for every soda that I get.' No one has ever said that to me. So it is with these comments that I am in opposition."

Representative Djou rose to speak in opposition to the measure, stating:

"Madame Speaker, the reasons that I am opposing this bill have been articulated already by the Speaker Emeritus and the Representative from Laie who pointed out very good reasons. But I would just like to add and emphasize that, make no mistake, this bottle bill is a tax increase.

"I've repeatedly complained that here in our State government, we have not taken the time to prioritize what our State government should and should not be doing. I do not believe we should be going out and increasing the amount of money State government sucks out of the economy.

"Furthermore, I believe that all too often this Legislature, whenever we find that there is a problem here in our society, immediately our solution is to create another government program to try and fix it. Whether it is this sort of a bill or long-term care bill or many of a whole host of other bills contained in this particular Order of the Day. I don't believe that the government is the 'end-all', and is always the solution to all of our problems.

"But most of all I am standing in opposition to this bill because it is not revenue neutral and because it is going to be a tax on the people of Hawaii. Thank you."

Representative Thielen rose to speak in support of the measure, stating:

"Thank you, Madame Speaker I am rising in strong support of the bill. And it is not a tax increase. Madame Speaker, it makes absolute sense to pass the bottle bill.

"First of all, let me tell you the half cent advance deposit fee that the bill starts out with, there is nowhere in that whole piece of legislation that it mandates that Pepsi Cola has to pass that half cent on to the consumer. There is absolutely nothing in the bill that says those corporations must raise their price. They don't have to. And I would anticipate that we would have some of those companies saying that they are not going to raise their price because we want you to drink their cola beverage. And if Pepsi raises its price, and Coca Cola doesn't, I bet they'll be a wholesale swing to Coca Cola drinkers. Fine, that is what competition is in the marketplace. There is nothing that says you have to pass that on to the consumer.

"As for the 5 cent deposit, when I was a child I had a little red wagon and I used to go around my neighborhood pulling the red wagon and collecting bottles. The small ones were worth 2 cents when I'd take them back to the grocery store, which very willingly participated in the program. It was very hard to get a big one. The big ones were worth 5 cents, and boy did I ever try to get those because that 5 cents went a long way when I was a child.

"So Madame Speaker, there wasn't litter on the beaches. There wasn't litter on our trails. There wasn't litter on the sidewalk or the roadside. The bottles ended up being taken back to the stores. And when you would get your new bottle of Coca Cola, they of course reused the bottles. You could tell that they were reused because there was a little bit of a patina from their washing and their processing of those bottles. Today some of those are considered collectibles or antiques, and probably worth a heck of lot more than 2 cents for the small version or 5 cents for the large. But it was a wonderful experience as a child to participate in that. And then as an older child, to be able to raise money for our Girl Scout troop by collecting the bottles and returning them for the deposits.

"The bill itself makes absolute sense to those outside of this square building. I've done surveys of my district several times and 73% of the Windward people want a bottle bill. I would

hope that we would more than mirror that in this Body by passing this legislation by far more than the 73%.

"I'd like to just briefly quote from a Sierra Club letter that came to us. They're saying that in Hawaii we throw away in our litter, 75,000 bottles and cans every hour, on average. Our current recycling rate is an abysmal 20%. Each island faces a difficult and expensive landfill expansion process. Our landscape is dotted with empty bottles and cans. It detracts from the impression of paradise held by residents and visitors alike.

"And then Sierra Club goes on with their information facts, not propaganda or rhetoric, that in states with decades of experience with the bottle bill, public support for the law is frequently over 90%, and then the 10 states with bottle bills recycle over 80% of beverage containers, more than the other 40 states combined. These are really, really sound statistics that show that we can join those states and have a very good recycling rate here when we pass the bottle bill. And the bottle bill states saw reductions of beverage container litter between 70% and 80%.

"The bottle bill makes sense for us in Hawaii. With 73% in the Windward side, I would imagine there are other areas that are even higher and I would hope that we would all resoundingly vote in favor of this bill. Thank you, Madame Speaker."

Representative Pendleton rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I rise in strong support of this measure.

"Madame Speaker, the first and the most obvious thing this bill does is it allows a few more cents in terms of costs, it doesn't require it as my colleague said. It didn't require it for the manufacturers or the sellers of these containers to add that, but it allows them to.

"What would you get in exchange for that? I think the two purposes of this bill are very clear. One is you create incentives for recycling, and the second is at least you try to make an effort towards mitigating the overuse of our landfills. At least using landfills only for what absolutely has to be thrown away and what cannot possibly be recycled.

"People have said these bottles constitute only a small portion of our trash, and that is true. But what you want to look at is what proportion of recyclable trash do these containers represent? In answer, they represent a sizable proportion of that which is recyclable, so that is the true number. You look at what kind of trash can be recycled and what proportion of that are bottles, and it is a significant one.

"People have said it is a tax. It is not really a tax because no one is forcing you to purchase beverages in bottles or in containers subject to it. This is not all inclusive of everything you possibly could purchase from the grocery, and so there is a choice involved. There is the redemption factor, and the whole thing is that we don't want people to end up with nothing. We want them to be incentivized to recycle and to get the money back.

"When I was going to school out-of-state, in this other jurisdiction, they had a program akin to this. And I found it a great incentive because a church or school group, private non-profit groups, any kind of group that might want to have a fundraiser would contact its members and people from around the community, and people would give their collection of cans. And you tend to smash the cans to make them very flat so

people aren't having these huge containers collecting these for long periods of time. I never found, at least in California, that that was a major issue, the issue of collection.

"Recently I was in Florida and was ready to throw a container into the trash, and was reminded by some people that they recycle there. I could give it to the group we were with. Sure enough, they were collecting it and giving it to the local churches to redeem them and allowing them to pick up those few cents per containers.

"Storage for businesses. This would just be a cost of business. When you make the policy call that you want to recycle more, that you want to preserve our environment and make an investment in the future and beauty of the State, that is a policy call you make. Again, people found ways to make do in those states. There isn't a great uproar, for example, in California and Florida, to repeal it. People have just changed their habits and adapted to recycling rather than just throwing these things away.

"Also, another interesting thing. In California for example, you wouldn't see a lot of cans or things that could be recycled laying on the side of the road because people would have an incentive to pick those things up. So someone here might just throw it along the beach, and we had a beach clean up in Kailua, and unfortunately, we find those things. But you wouldn't find it in those parks because there are people or groups would come through and see that as money, because anyone could collect those containers and turn them in and get them redeemed.

"So to bring this to a close, I think that this is a good policy, a wise one. Will it solve all of our problems in terms of our landfills? No, we are not saying that it will. Will it help incentivize so people will have a reason to take care of these things and recycle? I think so. I think this is the first step. We can fine-tune the program as we move along and see how it works. But I think this is a right step in the right direction, and so for those reasons, I support this measure. Thank you."

Representative Morita rose to speak in support of the measure, stating:

"The beverage industry has been fighting bottle bills for thirty years. I have a copy of a document called Moving Forward. And this is the soft drink industries' position on waste management. This is from their policy, pledges and principles on solid waste management. It says, 'The soft drink industry believes solid waste management is an important local issue. No one is better to develop a solid waste management program that meets the local, environmental and economic needs than those who manage the issues daily.' Well, those who manage the issues daily have come to the conclusion that the one of the things that we need to implement is a bottle bill. This bill has the support of all of the counties, as well as the Governor and the Department of Health.

"And I think we should take the advice of the beverage industry where it is a local decision. It was well thought out looking at all the plus and benefits of the programs now in place in the schools. Looking at efficiency measures from each of those ten states. And the best way to deal with 800 million beverage containers coming into the State each year. It has broad-based application.

"Throughout our discussion on this bill, there were a lot misstatements. For example, the Representative from Laie said it was 1% to 2% by volume. No, it's 2% to 3% by weight. It is much more by volume. Comparing a plastic bottle to a newspaper, you could see where the difference is in that.

"About the grocers having to spend \$7 million in additional costs. If grocers choose to participate in this program, they get the handling fee. Again most of the grocers will be exempt. We want them to participate on their own terms. And so that part is left open, but hopefully they will see the benefits and be able to use this as a marketing tool to increase business to their stores rather than having it thought of as a burden.

"So I hope my colleagues will support this bill. It is a good step forward, a good step towards recycling and litter reduction in our State. Thank you."

Representative Leong rose to speak in support of the measure with reservations, stating:

"Thank you, Madame Speaker. I have some concerns and I am going to go with reservations on this bill.

"First of all, when I heard about it I thought well, what a wonderful project for the students in school. As a student council participant, we collected bottles and recycled it and made lots of money for the poor people or for those who needed extra money, or even for our schools. Then because I am a realtor on the weekends, I know that my people who live in condominiums and town houses think it is a very impractical thing because there is no way to store their bottles. No way to get their bottles up and come back with it. They have no storage space, so because of this reason, I am going to go with reservations. Thank you."

Representative Souki rose to respond, stating:

"Thank you very much, Madame Speaker. Again, this is not to slight the Chair. She's worked very hard on this and she is very committed. And for that I admire her. However, the Chair mentioned that there is over 800 million beverage items that come into the State. You look at that and you multiply that by 6 cents, it would be about \$48 million. That is what it will cost the beverage industry per year. They will pass it down, of course. This cost is going to be passed on to the consumers.

"Now, it was mentioned that they don't have to pass the cost on. Well, that's true. Neither do they have to pass the excise tax on to the consumer, but they do. And I am sure they will pass this 5 cents on to the consumer. Madame Speaker, this is going to cost the State money because not everybody is going to be redeeming their bottles. You are going to have a problem of storage, and that is going to be a continual problem.

"So in regard to this program, I wish we would have gone slower. I wish we would have taken our time and tried to look at what might be other alternatives. This may not be the best alternative for the State. We may have a huge backlash with this program. Thank you very much."

Representative Lee rose to speak in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee continued, stating:

"I just wanted to point out one additional benefit that I found in my reading about bottle bills in other states. Researchers studied the effects of bottle bill legislation in Massachusetts on the incidents of glass-related lacerations in children, and they found a dramatic impact in childhood injuries and are a leading cause of physician visits and mortalities. Broken glass is a common cause of childhood lacerations.

"In the three years following the enactment of this legislation, the occurrence of glass-related suture lacerations in the emergency room at Children's Hospital in Boston decreased

by 60%. That is pretty amazing. The researchers attributed this reduction to the incentive for the returning of empty beverage containers. But the affect on children is, I think, not only in terms of safety. I think what we are teaching our children through the enactment of this bill is something really special.

"When I walk my dog around Mililani, I see a lot of things that are thrown away: glass bottles, plastic bottles, paper bags. And I think we're teaching our children in a sense, that this is a 'throw away society' and I hope we will be setting a good example for the children of this State by the enactment of this bill. Thank you very much."

Representative Lee's written remarks are as follows:

"I rise in support of H.B. 1256, House Draft 2, Senate Draft 2, Conference Draft 1, relating to solid waste management.

"Madame Speaker, this landmark legislation will once again put Hawaii on the map for creating a sensible system for recycling beverage containers. Twenty to thirty years ago, ten states passed 'bottle bills. Since then, the industry that profits from the sale of 'disposable' beverage containers has persuaded state legislators to refrain from new laws requiring deposits on cans and bottles.

"The ten states with bottle bills recycle over 80% of beverage containers more than the other 40 states combined. The bottle bill states saw reductions of beverage container litter of 70% to 80%. In Hawaii our current recycling rate is only 20%.

"Requiring deposits on bottles and cans will create many benefits:

- 1) Our residents can enjoy the beauty of our beaches and parks free of most beverage container litter.
- 2) Tourists will not be distracted by empty soda cans on the beaches. Let's continue to attract the world to visit our amazing natural environment – free of litter!
- 3) A market will be created for recycling the glass, aluminum and plastic containers.

"Madame Speaker, as a nurse, I would like to point out an additional benefit from deposits on bottles. Researchers studied the effect of 'bottle bill' legislation in Massachusetts on the incidence of glass related lacerations in children and found a dramatic impact. In childhood, injuries are a leading cause of physician visits and of mortality. Broken glass is a common cause of childhood lacerations.

"In 1983, Massachusetts passed a 'bottle bill.' In the three years following enactment of this legislation, the occurrence of glass related sutured lacerations in the emergency room at Children's Hospital in Boston decreased by sixty percent! The researchers attribute this reduction to the new incentive for the return of empty beverage containers.

"This measure is supported by entrepreneurs who work out of small boat harbors, where every weekend they pick up large amount of litter -- much of it beverage containers.

"Madame. Speaker, I applaud the Representative from Hanalei and many others for their hard work to bringing this measure this far. I strongly support this measure."

Representative Kanoho rose to speak in support of the measure with reservations, stating:

"Thank you, Madame Speaker. I am with reservations for all the reasons which has been expressed by those who have opposed this measure. As we debate all the issues on the Floor and in our minds, we look at compelling reasons on both sides of the equation. Certainly there is in this case, a need to find that balance. For me, the balance lies in my sister from Kauai who has done an outstanding job in chairing this measure, and out of due respect and high regard for her that I have decided to vote and support this, but with reservations."

Representative Meyer rose to respond, stating:

"Thank you, Madame Speaker. This is my second time to get up on this, but I felt compelled to respond to some of the things that some of the other Representatives have said.

"I too did a survey of my constituents because I could see what a impact this would have on each and every person in the State. I did get back, out of 4,000 surveys sent out, I got back about 220, and it came out to about 53% to 49%. There were 53% in favor. I was happy about that. I received a copy of the survey that many of the Representatives from Kalihi sent out, and I was interested to see that it was about 46% to 43%. So the idea that there is this overwhelming support, I don't think holds true. I wanted to get that out.

"Some of the examples of what my colleague from Kailua talked about, collecting bottles as a child. I did that as well. It was quite a different thing recycling in those days because the bottles were actually reused. So the grocery man would happily take back the bottles because when Coca Cola or Diamond Head Soda came, they'd pick up the bottles and bring you bottles filled with soda pop. So it was quite a different thing as far as litter. Beer and soda did not come in aluminum cans in those days. We didn't have plastic bottles. Just bottles. That was it. Just glass bottles and they were reused so there was truly a recycling, a reusing of those bottles over and over again.

"My concern again is the impact this will have on each and every taxpayer in Hawaii. I would feel much more secure if we had the possibility of having our constituents vote on this because it will have such a huge impact and will be a large expense.

"Another thing that I am concerned about is that the right now the military has an agreement with the beverage companies. They buy their beer from them directly. This is a big account. With this new recycling and the 5 cent deposit, they might very well decide to just bring their product in from the mainland like they bring lots of things to their commissaries and PX, and this will have another financial impact of a negative variety on our State economy.

"I am happy that this is being held off to 2005. As I said, there is some sort of a taskforce in the bill where they will look at all the different problems or concerns that different groups have. But I was disappointed that in the section that talks about the Department of Health drafting rules, it doesn't say they shall. It says they may. If they were mandated to draft rules, they would have to go out to the public hearing..."

Representative Auwae rose to yield her time, and the Chair "so ordered."

Representative Meyer continued, stating:

"Thank you, Representative. I am just about through. That was a concern because they may not draft rules and the opportunity for the public to really get involved may not be there. Thank you, Madame Chair."

Representative Garcia rose to declare a possible conflict of interest, stating:

"Yes, I want to declare a possible conflict of interest, Madame Speaker. I have stock in Coca-Cola and we might benefit from this if the bottling company passes on the cost to consumers," and the Chair ruled, "no conflict."

Representative Garcia continued, stating:

"I am rising in strong support of the measure, in that case.

"Madame Speaker, a bill of this impact always gives people some pause to reflect on its impact and so it is not surprising that some people might be withholding judgment about whether or not they would support this measure. But for me, it is the reverse of what the good Representative from Mililani had just spoken to in her support of this measure. She had said that perhaps with this measure, we could teach our children how not to deal with the 'throw away society', and how we can actually take some measure of control with respect to what the bill is calling for.

"My children taught me actually, the value of recycling heretofore, some years ago. I did not want to take the effort to recycle and one day my daughters came home from school and said, 'You know, we ought to take care of the environment Daddy. And it is good to recycle.' So I go through all the effort as people who do with recycling and separating, and going off to the local recycling bin, because it's a good thing, as my children have already taught me to do.

"It is a lifestyle change. People have to go out of their way to do it. But in the end, I reflect on that commercial, I believe it was back in the 1960s. It was a powerful message in that TV commercial where the Native American turns to the camera and sheds a tear because of what he sees and the impact on the environment because of what we don't do to take care of it. I don't want to shed a tear over this one. We should support it. Thank you."

Representative Ontai rose to speak in opposition to the measure, stating:

"Madame Speaker, I've got a deal for you. In the first year, for five and a half cents, you are going to get back four cents. Now this is based on the fact, that you're projecting only about 80%. Well that is a major figure. That 80% of the people going to recycle, so that means that for the five cents we supposedly collect we are going to get back four cents.

"It gets better, Madame Speaker. In the second year, for six cents, you're going to get four cents back. And in the third year, for six and a half cents you are going to get four cents back, and this promise that we might have a better, cleaner Hawaii.

"Well, I've lived in Massachusetts, New York and Connecticut, and you know before the bottle bill, I can imagine that these places were pretty bad. And they probably required some kind of drastic measure to be instituted to clean up the streets and the roads. And really it was kind of a filthy place in many places. And even with the bottle bill, there are some places that you can find in New York and Massachusetts that are horrible. So I am not there yet. I don't think that Hawaii is such a bad place that we are going to give our consumers this great deal where we take five and a half cents in the first year and they get back four. Thank you, Madame Speaker."

Representative Stonebraker rose to speak in support of the measure with reservations, stating:

"Thank you, Madame Speaker. I am rising in support with some serious reservations. I heard about a guy in Florida who was running against another Senator and he accused him of vacillating all over the Senate Floor. In this case, I feel like I am vacillating on the House Floor. He of course, was campaigning in a rural area where they weren't educated voters, and they wouldn't elect a man who vacillated on the House Floor.

"I like recycling. There is a beach that my wife and I go to by my house and she doesn't like it so much. I like the surf, but she likes to sit on the beach and the problem is that there is some broken glass there. Quite a bit actually. I don't like it with the kids and stuff and so forth, but the problem with this bill is that it is not the best that we can do, as was noted by the previous speaker.

"You are going to take a deposit which is greater than the refund. I've got a great problem with that. I don't like it. It actually disgusts me, because what we are doing is taking a good program, recycling, which is so needed and we're allowing the government to get involved and to take a cut. And of course we know, and it's been mentioned that there is going to be surplus of money, and then we are going to go in there and take it. We are going to take advantage of it and we are going to do this with the audacity of saying that its all in the name of the environment. Well let's do it.

"Now when I was a kid, we used to collect cans. And we as kids, you wanted to crush the cans so you can get as many into a bag. But just so the members know that this can is good. But crushed, this can is no good. I cannot recycle this can. I've got a problem with that because this is your deposit. Everything goes down the drain. Now that is my reservation. The fact that you cannot return crushed cans. You can't return them at the little vending machines outside of the grocery store. And the fact that your deposit is going to be greater than your refund. These are problems that I have, but you know, we have a desperate need to do something. I would hope that we could do better than this, but if this is all we have, I am going to vote with reservations. Thank you."

Representative Schatz rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I rise in strong support, and I'd like to compliment, first of all, the Chair of Energy and Environmental Protection for her hard work and diligence and patience on this matter.

"In response to some of the statistics that have been thrown around. I know it is starting to get a little bit confusing, but particularly in response to the gentleman from Mililani. The deal that he was proposing is not actually the deal proposed in the bill. It is that upon implementation of the bill, it will be a deposit of six and a half cents, and five cents back. And there is no sort of a sliding scale of implementation, once the bill is implemented. There is a half cent advance disposal fee to capitalize the program until 2005 when the actual bottle deposit law is implemented.

"Everyone has been referring to polls within their community. I'd like to refer to a couple of polls that are statistically significant and scientifically done. First of all, the General Accounting Office, when the national bottle bill was debated in the 1980s found that 70% of people throughout the United States were in support of a national bottle bill. In addition the Department of Health commissioned a survey, and I forgot whether it was Q Mark or Ward Research that did the survey, and actually they posed the question pretty clearly and pretty fairly. They said basically, if you know you're going to pay seven cents and get five cents back, would you support a

bottle bill? It turns out that we have an even a better deal: six and half cents, and five cents back. But nevertheless, the support was over 70%.

"Finally, this will result in a 70% to 80% reduction in beverage container litter. Now hang with me for a second. About half of the litter in the State of Hawaii is beverage containers, so by my somewhat questionable math, I'll admit. I stopped taking math when I was a junior in high school. But I think this is about a 30% reduction in litter.

"No state has ever repealed a bottle bill. People were talking about Columbia, Missouri but they aren't statewide bottle bills that have been implemented. No state has ever repealed one, and support only goes up from around 70% to around 90%.

"And finally, the proposal from the beverage industry to implement curbside recycling sounds wonderful, but the fact of the matter is it's an unfunded mandate. It is just basically saying, 'Hey you know what? Let's collect all the recyclables and somehow, someone will magically pay for that.' So when we asked them during the Committee hearing how that proposal would actually be implemented, they suggested a 'pay as you throw' program. Which means that we would instead of paying six and a half cents additionally for each beverage container, we would pay to throw out every piece of our trash. That was the proposal of the beverage industry. Everything you throw out you pay for, and I think that this is a much better solution and a much more practical solution, and it is one that I think we should all get behind. Thank you."

Representative Espero rose to speak in support of the measure with reservations, stating:

"I believe this on issue, both sides have valid arguments. But since full implementation is not until 2005, the task before us and before the beverage industry and others here, is to see if an idea, a compromise, a program can be created that would make the bottle bill unnecessary. So I think the challenge is there, and let's see what happens. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1256, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOLID WASTE MANAGEMENT," passed Final Reading by a vote of 37 ayes to 14 noes, with Representatives Ahu Isa, Auwae, Djou, Fox, Gomes, Kahikina, Kawakami, Marumoto, McDermott, Meyer, Moses, Nakasone, Ontai and Souki voting no.

Conf. Com. Rep. No. 125-02 and H.B. No. 2761, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2761, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Rath rose to speak in opposition to the measure, stating:

"Yes Madame Chair, I rise in opposition, and the reason for my opposition is the same as the two previous bills, the drug treatment and the housing appropriation bills. This one is also funded from the 'Rainy Day' Fund, which I will be voting against later on. And it would be very disingenuous if I were to say that the 'Rainy Day' Fund supports a lot of 'touchy feely' programs. Well everybody says you've got to vote for it because the 'touchy feely' programs are in there. It is really disingenuous if I didn't vote against the 'touchy feely' programs as well because I am not going to vote for the 'Rainy Day' Fund. So that is why I am voting against these, not because of the underlying issues. Thank you."

Representative Leong rose to speak in opposition to the measure, stating:

"Thank you, Madame Speaker. I rise to speak in opposition to H.B. 2761. The purpose of this bill is to authorize a temporary renewable three-year license to nonresident dentists who are licensed in another state. These dentists must be employed by 'safety-net' dental provider organization and have no pending disciplinary actions.

"Madame Speaker, I am concerned about the citizens' dental care and we should be especially concerned with the dental care of those who cannot afford it. However, allowing out-of-state dentists to practice in Hawaii without taking the Hawaii licensing examination is not responsible. Every state's dental licensing examination is a stringent test of the dental care provider's competency and skill, and certainly we know about that. My family has been through that each time. There is no guarantee that a dentist from another state will be able to pass Hawaii's State exam since uniform testing standards are not used. They are not uniformed in all states. By allowing out-of-state dentists to skip this critical test, the quality of dental care available to the needy people of Hawaii will be compromised. I feel strongly that disadvantaged people have every right to expect and get good dental care in our State.

"Further, this bill authorizes the Board of Dental Examiners to issue temporary renewable licenses for three years, a period that is much too long. Three years without a test. Current laws allow for 13-month temporary licenses, which are not renewable. This bill will allow an out-of-state dentist who has not taken the exam to practice dentistry for three years, then renew his license for another three years, then renew again for another three years, and all the while this dentist is performing important dental work on our citizens without taking the State's dental work examination.

"Dental health is one of the biggest public health problems our people face and roughly one-third of Hawaii's population does not have dental insurance. This is all the more reason we should insist on quality care for our low-income individuals with qualified, tested dentists. The solution to our problem does not lie in relaxing our high standards and providing longer temporary licenses. It lies in recruiting more good dentists from within our State. Madame Speaker we do not want Hawaii to be the state where dentist come to work because they can practice without taking our dental exam. For these reasons I cannot support this bill, Madame Speaker. Thank you for the opportunity to speak against this bill. Hopefully we can urge our colleagues to vote against this measure. Thank you so much."

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I am in strong support of H.B. 2761. This measure is another small piece of an overall strategy and vision adopted by your Health Committee to address the poor oral health of our children and low-income families and individuals. I wish it had more teeth in it but we'll settle for half of them.

"You know, based upon the Department of Health's Dental Health Division 1999 findings, among public elementary school children statewide, children in Hawaii have tooth decay or dental carries and 'baby bottle' tooth decay rates that far exceed those documented on the United States Mainland. At an average of 3.9 decayed teeth per child, the rate of dental carries among children ages 5 through 9 in Hawaii is 2.1 times the last published United States national average of 1.9 decayed teeth. Hawaii's dental carries prevalence rate is among the

highest in the nation. The rates among Hawaii's native Hawaiians is 4.2, Filipinos at 5.5. This exceeds the national average by 2.2 and 2.9 times respectively. And all this despite our State having one of the highest dentists per capita rates in the country.

"We do have a lot of qualified dentists. There is no doubt about that. But you know in speaking to many of them, a lot of them would prefer not to work with low-income people. They would prefer maybe not even to work with children. Poor oral health among children and vulnerable adult populations is among the most widespread and pressing public health problems identified in Hawaii.

"Dental disease including tooth decay is Hawaii's silent epidemic affecting most Hawaii residents at one time or another. Tooth decay causes pain, loss of productivity at school and at work, expensive treatment and the risk of severe, even life-threatening infection. We need to focus on education and prevention to address poor oral health in our children.

"And so the approach is community-based, and the fact is the dentists, if they are licensed, they won't go to our community health centers. They won't go to far regions like Kau or Hana. And so what is going to be our solution? We need to look at creative ways perhaps, to allow qualified dentists to perform. It should be pointed out that these dentists will be qualified only to perform at community health centers and nowhere else. Once they leave, they lose their temporary licenseship. So it is very narrow and focused. So unless we improve the state of our children's oral health, we will have seriously failed our children and future generation. And I must point out that oral health is very important to the total health of the human body and it should be looked at in that way.

"I also want to mention for the record that the appropriation for this measure can be found in H.B. 1245, HD 1, SD 1, CD 1. Thank you, Madam Speaker."

Representative Souki rose to speak in support of the measure and asked that the remarks of Representative Arakaki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Souki continued, stating:

"His remarks had quite a bite to it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2761, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY ORAL HEALTH," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Djou, Gomes, Leong, Rath and Thielen voting no.

Conf. Com. Rep. No. 126-02 and H.B. No. 2840, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2840, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Hale rose to speak in support of the measure, stating:

"Madam Speaker, I strongly support this bill. I was one of the 28 people who signed this originally, and I am very happy. But I give the credit to the Representative from Manoa and I think this will help his cause because he is always talking about the core functions of government. And I hope that we can finally decide through this method what are the core functions

of government so that we can get everybody on board to support all of the things that we proposed for those functions. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madam Speaker. I speak in strong support of the measure. I too would like to extend kudos to Representative from Manoa who came up with this ingenious concept and idea. It was about three months ago in the Policy Committee room that we tried to look at some of the issues facing us and one of them was the growing size of government. But all of us being very pragmatic politicians here agree that it would be awfully difficult to leave it to the political forces that exist in this Chamber to decide what are core and non-core services. So I think this is a tremendous step in the right direction and I encourage all members to participate during the interim. I believe that this Body's work will be important in the next legislative Session and the next administration coming in. Thank you."

Representative Case rose to speak in support of the measure, stating:

"Thank you, Madam Speaker. I am in support. Briefly, I thank the previous speakers for their remarks. I don't claim credit for this bill. The idea was somebody else's from beyond our borders and I simply kind of adapted it. So I can't take that. Plus that, we can all claim credit.

"At this point this effort is going to rely very much on the commitment of the members of this Commission. If the members of this Commission are appointed for the purpose of preserving government the way it exists today. If the people that appoint those people to this Commission are committed to that, this is going to fail. If the members of the Commission believe or are motivated by the desire to justify every program of State government as core, this is going to fail. If members go into this Commission believing that we do have to prioritize in government, that we do have to decide what must we do versus what do we want to do. And if they decide that we are going to focus on the former as we go into the future together. If they decide that, this can be a productive exercise.

"But if the commitment is not there, this is going to be a fruitless exercise and then next year we'll arrive back here to balance a tremendously difficult budget starting from scratch with no real guidance. So let's turn to this effort and do it right otherwise, let's just not do it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2840, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE GOVERNMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 127-02 and H.B. No. 1821, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1821, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Suzuki rose to speak in support of the measure, stating:

"Madame Speaker, I rise to speak in strong support of CCR 127, H.B. 1821, HD 2, SD 1, CD 1. For the record, I would like to describe the background of this measure related to funding the Office of the Legislative Auditor.

"The Auditor's Office is authorized by Article VII, Section 10 of the Hawaii Constitution. Section 10 states, in part:

It shall be the duty of the auditor to conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State and its political subdivisions, to certify to the accuracy of all financial statements issued by the respective accounting officers and to report the auditor's findings and recommendations to the governor and to the legislature at such times as shall be provided by law.

"In addition, Chapter 23, of our Hawaii Revised Statutes, requires the Office of the Auditor to conduct post-audits of all departments, offices, and agencies of the State and its political subdivisions at least once every two years and at such other times deemed necessary by the Auditor or required by the Legislature.

"In 1959, the Legislature assigned the audit duties to DAGS. The Office of the Legislative Auditor was activated in 1965; however, the original provision for audits by DAGS was not changed.

"The 1978 Constitutional Convention determined that the issue was one for legislative rather than constitutional remedy. Since no legislative remedy was implemented to transfer the appropriation to the Legislative Auditor, DAGS continued to conduct and contract for financial audits.

"In 1989, the National Conference of State Legislatures (NCSL) conducted a study of the Hawaii legislative services agencies, which included the Office of the Legislative Auditor. They found that most of the financial audits for State departments and agencies were conducted by the staff of DAGS or by public accounting firms contracted by DAGS. The Office of the Auditor conducts, under contract with public accounting firms, an average of only three financial audits annually. Auditing principles and standards require that the audits be conducted by an entity independent of the one being reviewed.

"The NCSL study recommended that the Legislature fund the Office of the Legislative Auditor adequately to meet its constitutional and statutory requirement for financial audits. That included reallocating funds from DAGS to the Legislative Auditor.

"The current practice of allowing DAGS to conduct the audits of executive departments and agencies raises questions regarding the independence of the auditing function. Some of you using your institutional memory may recall several years ago when the Auditor audited the Department of Human Services. That audit reversed the clean opinion of the previous independent CPAs hired by DAGS because those audited financial statements improperly reflected a long standing practice and accounting treatment of tens of million of dollars annually and caused much alarm in that Legislature.

"The House draft of the Senate bill for the Auditor that we passed on Second Crossover would have reallocated \$4.7 million from the Executive Department Budget to the Legislative Auditor's budget, to provide the Office of the Auditor with sufficient funds to conduct financial audits of the Departments of Education, Health, and Human Services pursuant to the recommendation of the Felix Legislative Investigative Committee, and also the audits of other State agencies.

"Unfortunately, the current version, before us, the CD 1, has been amended to provide the Legislative Auditor with only \$270,000 which was removed from the Legislative Auditor's

budget we just passed in the first part of this year. And appropriated it to the revolving fund for the purpose of conducting only one audit, that of the Department of Education. Madam Speaker, this is a tiny step in the right direction towards a practice observed by legislative agencies throughout the nation.

"In the past, the \$270,000 appropriation was generally used by the Auditor to conduct at least three smaller audits of the Executive Department annually. These audits were performed by outside CPAs selected by the Auditor via the request for proposal process which we commonly refer to that as the RFP process, and would not breach any existing professional services contracts..."

Representative Schatz rose to yield his time, and the Chair "so ordered."

Representative Suzuki continued, stating:

"Thank you, Representative. It did not breach any existing professional services contracts that DAGS may have had in place at that time. DAGS, in the hearing, used this as an argument against having the Auditor take over the executive audits, the audits of the executive department. This argument against the full transition of the audit function to the Auditor had never been a problem to DAGS or the departments. The agencies selected for audit by the auditor simply went along with the Auditor's selection using funds from the Auditor's budget, and thereby these departments avoided spending their own budgeted funds that were either lapsed, or I think in most cases, expended for other purposes useful to that agency.

"We can look forward to potential savings from the RFP process in the future when the Legislature allows a complete expansion of the Auditor's proper role. Additionally, savings targeted by the Auditor related to reimbursement from the federal government for audits conducted in accordance with the federal single-audit program requirements can be incorporated into the legislative budgets. Approximately one dozen audits conducted in accordance with federal requirements, procured by DAGS, had no reimbursement planned for the fiscal year ending June 2001.

"I would like to thank all members here including our House leadership, for supporting our original comprehensive version of this bill and I urge all members to continue their support of this bill. And I'd like to acknowledge Speaker Say who has always told me that to have change takes time, even though all our members here today agreed that the time had come for change. It is our responsibility to ensure compliance to the Constitution and to the Hawaii Revised Statutes.

"It is our responsibility to ensure the independence of the financial audits. We can no longer ignore what we know is required of us. Our constituents depend on us to do the right thing. I expect this 'test' of our Auditor through this 'baby step' will fully meet all our expectations. It will also meet those expectations that are owed to the public to whom we are all accountable. As we pass this measure today, I look forward with hope that the next Legislature will be successful in getting both Senate and House to agree to the call for change and a transition to the Auditor's larger role. Thank you, Madam Speaker."

Representative Case rose to speak in support of the measure, stating:

"Thank you, Madam Speaker. I would like to continue the discussion started by my good friend and colleague because this is an important bill. This is a bill that seeks to shine the light on what is a potentially a seedy underside of government,

and I feel the need to translate a little bit of what my colleague has just said.

"Let's put it this way. We are running a \$7 billion a year business. And any business gets a financial audit, an audit presumably by an independent auditing firm, usually private, to account, to check the books and records, for the representations made, and to make sure that everything is 'on the up and up'. And when that system goes wrong, it goes terribly wrong. And that's what happened with Enron and Arthur Andersen. It went terribly wrong. A company that was hiding things and an auditing firm that for whatever reason didn't catch it, didn't report it, and that is why they are both in trouble.

"Now what we've got here is a big business and that big business is audited by private companies for the most part. Private companies selected for the most part by the very departments, the very departments that are being audited. So you can see that over time, there is a risk there of a relationship growing up. And by the way, this is big business now; this is big business to be able to get the account to audit the State. It is one of the best businesses in town. CPA firms seek it. There is nothing wrong with that. That is good. It is not a problem. But over time, there can be a problem. There can at least at the minimum be the appearance of impropriety.

"Now what this bill when it started out said was: let's correct that situation and let's allow those financial audits to be conducted by the Auditor. This is part of the Auditor's constitutional responsibility. The Auditor is charged with management audits which most of us are familiar with where she audits the management. But management is not finances. She also has the ability to conduct financial audits of any branch agency of the State, but she doesn't. The reason: a long honored practice that the departments of State governments select for the most part, well okay they go through DAGS, but basically they select them. Okay, there is not really an insulation there and they're audited. Now that is a potential problem, and it may have been an actual one, as the Representative alluded to, in a prior audit.

"What this bill did when it left the House was great. It said that we are going to take the money that is already budgeted, this isn't an additional expense, we are going to take the money that is already budgeted to those departments and we are going to say to those departments, 'You give the money to the Legislative Auditor, and the Auditor will engage the private companies. You can go and talk with the Auditor about who you might want to use and the Auditor will put out RFPs, and you can discuss it. But you are not going to make that choice. The Auditor is.' The Auditor is going to add a layer of insulation and supervise those audits, and by the way, use the results for follow-up audits of the Auditor's own initiative dealing with management.

"It was a great bill as it left here, a reform bill. It was a real reform bill to take care of a perceived impropriety, to take care of a potential problem. I knew it was a good bill because of who was opposing it. The departments didn't want it. And on good authority, although it doesn't appear in the record of the Committees, the CPA firms didn't want it. They like the system and that makes me suspicious. It went over to the Senate and the Senate watered it down. It ended up in Conference, and guess what we've got? A bill limited only to the Department of Education. A limited amount of funding.

"To finance all of these audits, we're talking about \$2 to \$3 million. We got \$600,000. When the bill went over it was for all branches of government. We end up with the Department of Education. So we in this Chamber did the right thing. But frankly it didn't come out clean. This is unfinished business. I can't stand here and not support it. It is a great direction. But

the content of this legislation as it went through the Legislature is cause for concern.

"Now when we come back, or whoever is going to come back next year, target this bill. See it through. Take the financial audits and put a layer of insulation between the departments that are being audited and the firms that are auditing them. Provide a real check and balance. Thank you."

Representative Halford rose to speak in support of the measure, stating:

"Thank you, I am going to speak in strong support of this bill. The previous two speakers did a very good job so I will be relatively brief and just add on to some of the points that they already made.

"The essential issue here is accountability in spending public funds. As has been pointed out, the Administration is auditing their own spending and that is problematical, and in my view, do not sufficiently audit. They don't look deep enough. The questions that they ask the auditors to look at are insufficient. Auditing by our Legislative Auditor is mandated by the Constitution of the State of Hawaii. That we have not fulfilled that our obligation as spelled out in the Constitution of the State of Hawaii. This bill moves us in that direction.

"This has been a long-standing problem, unaccountable spending in the State of Hawaii. We haven't been able to keep track. A report that was brought up recommended that we use our Legislative Auditor more. That report by the NCSL is from 1989, and still we haven't acted on it. This is movement in the right direction. It has a shortfall in that it doesn't go all the way. Our Legislative Auditor should be conducting financial and management audits of all of our departments, without exception.

"And then lastly, I want to point out that the power of the legislative branch as a balance has been diminished by the fact that we have not fulfilled our mandate to be fully cognizant of the spending in the State of Hawaii. That is our job. It is our constitutional, not only our constitutional prerogative, but our obligation, and we have failed in that. And as such the ability of this Legislature and of legislators in particular, to influence the outcomes of government have been diminished. We've really squandered our branch of government by not acting on our constitutional mandate and responsibility. Thank you."

Representative Yonamine rose to speak in support of the measure, stating:

"Madame Speaker, I speak in strong support of the bill. Let's hope that the Governor will not veto this like he could possibly veto the Core Function Commission, especially since he takes such a minor role in the creation or being part of that Commission.

"But in this case, I just wanted to commend Chair Suzuki for the way he identified the sources within each department, the budget items that were budgeted for auditing and pulling it all together and doing a flow chart. There is a kind of complicated flow chart, and he was very persistent and professional in his presentation to the Conference Committee in order for that Committee then to agree to this bill we have.

"This is not a minor bill. It is a major bill and I just hope we follow up on it. Let's first hope it is signed, and then like Representative Case was saying, let's see what happens next year. But I tell you right now, going through all these meetings and conferences, it took to the very last minute and thanks to Representative Suzuki who is very knowledgeable of the field. And the fact that he knew exactly where the money was, and

professionally he was able to give the justification as he did with his presentation here. The fact is that we have this very good bill and I think we should all support it. Thank you."

Representative Ahu Isa rose to speak in support of the measure, stating:

"Madam Speaker, I stand in strong support of this bill too and I also want to commend the Chair of Legislative Management for all his work. Too bad it is watered down when it came back from the Senate or what came out of Conference. I don't know because I don't sit on the Committee. But I can speak first hand at what happens in a department when they have the authority to hire their own auditors.

"Whether it is management audit or a fiscal audit at the University, always the recommendations come in from the audit firm and on first pass they make these recommendations, and then management or the administration will say, 'Oh well, I can explain that,' and then just work their way right out of every recommendation. I understand completely what Representative Suzuki was trying to do.

"And I also just want to take at this time, since it's going to be my last time on the Floor of this House, to commend the Chair of Energy and Environmental Protection Committee on her bottle bill. I didn't show up at the Conference Committee because I was really sensitive to all the hard work that she had put into it, although I had to vote against the bill. But bear with me, Madam Chair on that point. I really wanted to commend Representative Suzuki, and if I don't see any of you again, I wish all of you the best in your future. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1821, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATIVE AUDITOR," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. No. 2454, SD 1, CD 1; H.B. No. 1969, SD 1, CD 1; H.B. No. 2480, HD 1, SD 2, CD 1; H.B. No. 2212, HD 1, SD 2, CD 1; H.B. No. 2006, HD 1, SD 1, CD 1; H.B. No. 1256, HD 2, SD 2, CD 1; H.B. No. 2761, HD 1, SD 1, CD 1; H.B. No. 2840, SD 2, CD 1; and H.B. No. 1821, HD 2, SD 1, CD 1; passed Final Reading at 7:53 p.m.

At 7:53 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:10 o'clock p.m. with the Speaker presiding.

Conf. Com. Rep. No. 128-02 and H.B. No. 2451, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2451, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

Mr. Speaker, my opposition is the same as the earlier TAT bill. This measure caps the amount of the Transient Accommodation Tax going over to the Convention Center. And the big problem that I have with this is that the excess goes over to the general fund. In my opinion, that looks like a 'cash grab' by our State government of the Transient Accommodation Tax, which is supposed to be dedicated for marketing and improving the tourist economy here in our State, our most

important economy. I don't believe that we should be fiddling around with the formula and with the TAT, as this measure does. And that is why I am standing in opposition to 128. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2451, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Djou, Fox, Halford, Meyer, Rath and Stonebraker voting no, and with Representative Takamine being excused.

Conf. Com. Rep. No. 129-02 and H.B. No. 2595, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2595, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO ENHANCE AGRICULTURAL TOURISM VENUES," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Djou and Fox voting no, and with Representative Takamine being excused.

Conf. Com. Rep. No. 130-02 and H.B. No. 2821, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2821, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Case rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition to this measure.

"First of all, this measure, as I understand it, proposes to abolish all deputy and first assistant deputy positions in every State department except for the DOE and University of Hawaii. Now that seems to me to be pretty sweeping and frankly, it seems to me there is something 'fishy' about this bill.

"I assume that there are some departments that don't need all of their deputies or don't need some of their existing positions. But to take them all out at once strikes me as being a solution that occurs without a lot of thought. It is just a throw in to save some money. Maybe it's a throw in to take out a whole layer of management.

"I really don't know why this bill is sitting here. I am particularly concerned because in another bill earlier, we passed, over my objections, a bill in which we linked again excluded employees with the collective bargaining units and thereby created again the conflict of interest that we sought to do away with two years ago. So what we have now here is we have State employees that are subject to collective bargaining managed by excluded employees, whose fate is linked with the collective bargaining unit employees, supervised by one, as I understand it, director of a department.

"Now the director of a department is a political appointee and that is not bad. That is in keeping with the tradition that we let the people run the executive branch through their governor. It's a political appointee because it is the will of the people having a say over what the departments do. And what concerns me here is that we are basically setting up a system in which we will not be able to accomplish needed change within State government because we've got one director who can't possibly exert himself or herself throughout a whole department without some team that is directly accountable to the governor and to

the will of the people. Supervising and trying to manage and trying to change a system that perhaps doesn't have to listen.

"I think we all know that one of things that goes on in state government, especially those parts of government that are resistant to change is, 'Well, let's just wait this administration out. Let's just wait this director out.' It seems to me that this bill just gives them more power to do that. I think it is an unreasoned bill. I think it is a bill without a particular target other than just to appear to have done something to reduce the cost of government. I've got to vote against it until somebody offers me a better reason to vote for it. Thank you."

Representative Yonamine rose to speak in support of the measure, stating:

"Mr. Speaker, I speak in favor of this measure. If the Governor does not veto this bill, then I would be curious in terms of how creative he could be, along with his department heads, in terms of finding ways of managing a very large and very complex organization. I've said it during previous readings of this bill that the problem seems to be not with the deputies, but with the division heads.

"To manage a complex organization of bureaucracy would mean that you need to look at the division heads, branch chiefs, even your section heads, and plus all your geographical units located throughout the islands and throughout the State. There is some way of managing or administering this very large and complicated bureaucracy. But this measure appears to be kind of half-finished because if you take away the deputies, by law we have the directors attending interdepartmental meetings, interagency meetings, commissions, boards, and the a whole bunch of meetings that takes him or her out of the office quite a bit. He or she is here before the Legislature lobbying and standing on-call for assistance from us. So there has got to be someone. The director doesn't just come into the office in the morning and stays in there all day, and does his administrating supervisory work, follow-up, etc., and leaves in the afternoon. And because he is out of the office quite a bit, the deputies, if they are knowledgeable about the bureaucracy and the division of labors could be the most effective administrators or managers of the departments.

"Now you wipe all of them out and what you have are division heads and the division directors. You know in the past, we tried to make them appointed, but this isn't what the bill calls for. It may be that the next governor might say maybe we ought to have the division directors be appointed, and then perhaps they can manage and make changes within the departments.

"So all I can say is given the bill, although it's a good start, and let's hope that as it goes through we can look at better and more creative ways of managing departments and slashing government and unneeded positions at the same time. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2821, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE DEPARTMENTS," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Case, Fox, Gomes, Hale, Jaffe and Thielen voting no, and with Representative Takamine being excused.

Conf. Com. Rep. No. 131-02 and S.B. No. 2043, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2043, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Gomes rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition to Conference Report 131, and just a few comments. The reason is I don't have a problem with the underlying taskforce which is relating to adoption. My problem has to do with the body that has been selected to lead this, and that is the Volunteer Legal Services of Hawaii. That they are going to be the convening body behind this taskforce. And the reason that I have a problem with that is that I believe that, that organization has some serious credibility problems. And that stems from their representations on an alleged factsheet concerning the Hawaii Hurricane Relief Fund.

"Their position had been on the Hurricane Fund, that it should be raided, cashed in, whatever, to use for social programs. That is all well and good. Not a position that I agree with, but their factsheet just flat out misrepresented how that Fund worked, how it was funded and how it works, as a basis for why those funds should be raided. And I wouldn't have caught it other than it's been something that I have been focusing on during the Session.

"This so-called 'factsheet' came across my desk and I contacted Legal Services and instead of sort of correcting it, they seemed to justify what they had done. And rather than saying that perhaps yes indeed, that was an error and that it was not quite true..."

Representative Schatz rose to a point of order, stating:

"The present speaker doesn't seem to be discussing the bill, but rather of the disagreement that he has with some of the proponents of the bill. It doesn't have anything to do with substance of this matter."

Representative Gomes responded, stating:

"Mr. Speaker, thank you. Actually it has a great deal to do with substance of this measure because we want bodies that we can have faith in, in terms of their integrity and in terms of their representation on what has happened, especially with something regarded as important as is this *Hanai* Taskforce. And we don't want bodies that have compromised their integrity, and that is my point. And that is why this group in particular shouldn't be handling this taskforce at this time. I mean, my position would change in an instant if they came and said, 'We were wrong. That is not how it operated. We shouldn't have got into that unless we were correct.'

"There were, by the way, other groups that also put together 'factsheets,' so-called, for the Hurricane Fund, that were accurate where their position on what to do with it was different from mine, but at least they represented the facts correctly, and that is my concern.

"And just for the record, for what it is worth. I've done volunteer work for Volunteer Legal Services, and I've contributed to their cause through my bar dues, so it is not a problem with what they do. But it's the misrepresentations that they have made, and I don't think that they should be selected to lead this taskforce, and that is why I am in opposition. Thank you."

Representative Kahikina rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I am in strong support. Mr. Speaker, in regard to the previous speaker's remarks, I don't know what the logic is of selecting the Volunteer Legal Services of Hawaii, but I wanted to speak on just the intent and

the merit of the bill itself in that it clearly recognizes that the *hanai* relationship is a customary and traditional practice of the indigenous people, Native Hawaiians. It is unique to the islands and for those merits, we should support it. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2043, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADOPTION," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Gomes voting no, and with Representative Takamine being excused.

Conf. Com. Rep. No. 132-02 and S.B. No. 2478, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2478, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Kahikina rose to speak in support of the measure, stating:

"I speak in strong support Mr. Speaker, and in view of all that is going on, I just wanted to express my *mahalo* to you Mr. Speaker, and leadership and the members here in this Body for their support.

"You know, we all serve in the capacity of government, and for our people, with OHA being created by the State, it is no different for them in their capacity as trustees. And I am so glad that we are treating them fairly and equal like any other branch or division of government and I appreciate that. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2478, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRUSTEES OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 50 ayes, and with Representative Takamine being excused.

Conf. Com. Rep. No. 133-02 and S.B. No. 2900, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2900, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Hale rose to speak in support of the measure, stating:

"This is one of the very few bills that was passed during the Special Session that really helped my district, because we have many environmental problems and we are very concerned with our environment in my districts. We are so far away from Honolulu and so far away from the center of even the Big Island that we are often forgotten. But we did do a tremendous job with this emergency environmental workforce appropriation that was done in the Special Session in helping to control the miconia, the coqui frogs, and even the dengue fever, which were all found in my district.

"I wanted to congratulate the Chair of the Conference Committee on the House side, our Representative from Kauai for the tremendous job she has done. I have really learned how to be a good legislator from her. And I appreciate it because she is very, very persistent as was shown this morning when she was willing to compromise on the bill for the 2004 to 2005. Anyhow, she was able to get a \$500,000 appropriation. It is not nearly enough, but it shows the good intentions in these dire financial straits that we're in. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2900, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE EMERGENCY ENVIRONMENTAL WORKFORCE," passed Final Reading by a vote of 50 ayes, and with Representative Takamine being excused.

Conf. Com. Rep. No. 134-02 and S.B. No. 552, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 552, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative McDermott rose to speak in support of the measure, stating:

"Chester Puller, you are not forgotten."

Representative Garcia rose to speak in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

"Just on a personal comment with respect to this measure. I found it appropriate that there was bit of a battle with respect to this measure. I was glad to see that in the foxhole, we had a 'shadow manager' who was able to stand by me and during the 'rough and tumble.' He was able to get this measure through agreement with the Senate. So I want to take this opportune to thank my good and trusted ranking member of the Public Safety Committee, and I think the proponents of this measure owe him a great deal of thanks. And if they knew the full story, they would know that Representative Mark Moses got this measure through. Thank you."

Representative Garcia's written remarks are as follows:

"This measure provides an appropriation to attract matching money from contributors to a Korean War Museum. Often referred to as 'the forgotten war,' the museum aims to educate visitors and residents alike by means of a museum in memory of all those who fought in that conflict.

"It is hoped that significant contributions will follow. The hope is that contributions from sources in South Korea will be significant now that the State of Hawaii has shown some commitment to the concept.

"As an added benefit, it is likely that the museum will attract tourism revenues from Korea and be a popular attraction among veterans as the fiftieth anniversary of the Korean War is being observed.

"For these reasons, Mr. Speaker, I ask my colleagues to support this measure. Thank you."

Representative Moses rose to speak in support of the measure, stating:

"I thank the Chair very much, and I just want to clarify who Chester Puller was. He was the most decorated Marine General and that is why we all talk about Chesty Puller. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 552, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A KOREAN WAR MUSEUM," passed Final Reading by a vote of 50 ayes, with Representative Takamine being excused.

Conf. Com. Rep. No. 135-02 and S.B. No. 2067, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2067, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Takamine being excused.

The Chair directed the Clerk to note that H.B. No. 2451, SD 2, CD 1; H.B. No. 2595, HD 1, SD 1, CD 1; H.B. No. 2821, HD 1, SD 2, CD 1; S.B. No. 2043, SD 1, HD 1, CD 1; S.B. No. 2478, HD 1, CD 1; S.B. No. 2900, HD 1, CD 1; S.B. No. 552, SD 2, HD 1, CD 1; and S.B. No. 2067, SD 2, HD 1, CD 1; passed Final Reading at 8:27 p.m.

Conf. Com. Rep. No. 136-02 and S.B. No. 2068, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2068, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL REPAIR AND MAINTENANCE," passed Final Reading by a vote of 50 ayes, with Representative Takamine being excused.

Conf. Com. Rep. No. 137-02 and S.B. No. 2270, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2270, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Takamine being excused.

Conf. Com. Rep. No. 138-02 and S.B. No. 2512, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2512, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Kawakami rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of S.B. 2512, SD 2, HD 2, CD 1, Relating to Education, more specifically New Century Charter Schools.

"This measure reduces the number of charter schools from 25 to 23, a sensible move in light of the current problems facing charter schools and the state's economic condition.

"Funds for charter schools will be based on the total DOE general fund allocation for EDN 100, 200, 300, and 400 and the projected per pupil allocation. In order for schools to be fiscally accountable, funds will be disbursed according to a predetermined calendar, and the Auditor will be required to develop a fair funding methodology with provisions to make adjustments to account for future changes.

"In addition, this measure will require the DOE to provide the following:

Transitional resources to a conversion charter school for its first year of operation;

Staff and services to ensure that the needs of special education students are met; and

Probationary and tenure status for teachers employed at a charter school who fulfill BOE/BOE requirements.

"Each new charter school will be systematically evaluated to ascertain that the school is adhering to BOE policies and that its students are meeting statewide performance standards.

"Mr. Speaker and colleagues, this bill ensures that charter schools will receive equitable treatment in funding, staffing, and services. Thank you for your support."

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of S.B. 2512, SD 2, HD 2, CD 1, Relating to Charter Schools.

"Mr. Speaker, we are all familiar with the problems facing our new charter schools statewide. Hope is high, but funding and resources are insufficient to bring to reality the dreams of their school communities. In the House Education Committee we have heard testimony from many students of these schools, and we have been moved by the tenacity of the school leaders and the love of the students for their new school environments.

"This bill seeks to add to their resources, to clarify state policy concerning charter schools, and altogether to improve the situation of all 25 of these innovative, enterprising institutions.

"Specifically, the cap on charter schools has been lowered from 25 to 23 because of the educational partnership act (Act 2, Session 2002) signed into law on April 4, 2002, which counts the existing two conversion schools in a different category than the new-start charter schools. Though it remains my personal desire to see these schools increase in both quantity and quality, the economic restraints of the State, the difficulty in budgeting for charter schools have forced us to adopt a more fiscally-conservative approach to the growth of the charter school movement in Hawaii.

"Secondly, because it is the *kuleana* of the Legislature to maintain the fiscal solubility of the State and all its organs, including new century charter schools, 'organizational viability' and 'compliance with applicable state laws' have been added to those elements which the Board of Education must consider when conducting independent evaluations.

"Third, language has been added to this bill prohibiting charter schools from suing the State or the counties. These are public schools, and as such, shall not be allowed to sue the State.

"Fourth, language has been inserted excluding from the per pupil allocation funds for services that must be provided at the State level, specific programs or projects that target individual schools, complexes, or districts; grants-in-aid; and resources of new facilities that target specific, new construction projects.

"Fifth, and perhaps most important, the allocation methodology has been amended to provide more equity of funding to charter schools, with increased access to the EDNs. Per this bill, charter schools may also enter into an annual memorandum of agreement for centralized services to be provided by the DOE prior to the beginning of each school year, provided that the allocation of the charter school shall be

reduced in an amount based upon the per pupil amount expended by the Department for such services.

"I am also enthused to note that the CD 1 of this bill includes a provision allowing charter school students the same opportunity to participate in athletics provided to students at other public schools, including the right to participate in a sport at any public school in the charter school's complex if there is no comparable program at the charter school.

"I should note for the edification of the members that this measure passed the Senate with language allowing teachers employed at charter schools to receive probationary and tenure status, and acquire seniority; provided that they fulfilled the requirements set forth for regular DOE school teachers. Upon further consideration, and based upon assurances provided by collective bargaining agents and the Board of Education (BOE), tenure and seniority will be provided to former DOE teachers teaching in charter schools through agreements reached with the DOE based on policies approved by the BOE. In light of these policies and agreements, this issue can be resolved without legislative remedy.

"Mr. Speaker, I urge the members of this Body to pass this measure as amended in conference, to support the continued growth of charter schools and all educational opportunities in Hawaii. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2512, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Final Reading by a vote of 50 ayes, with Representative Takamine being excused.

Conf. Com. Rep. No. 139-02 and S.B. No. 2831, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2831, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Magaoay rose to speak in support of the measure, stating:

"Mr. Speaker, on S.B. 2831, I am in strong support. This is the residential 4% tax extension.

"Earlier this Session we discussed the measure where we had the continuation of the date from December 30, 2000, and they said the last time that I talked about it, that it was changed to October. But now with the agreement with the Senate, it extends that date for one year, so basically the date that we have as of Act 10 still remains the same. The benefit to people who are doing residential construction and stimulating our economy will remain intact for another year. So the next Legislature will take a look at extending this much longer. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2831, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AN EXTENSION OF THE RESIDENTIAL CONSTRUCTION AND REMODELING INCOME TAX CREDIT," passed Final Reading by a vote of 50 ayes and, with Representative Takamine being excused.

Conf. Com. Rep. No. 140-02 and S.B. No. 3048, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3048, SD 2, HD 1, CD 1, entitled:

"A BILL FOR AN ACT RELATING TO BONDS," passed Final Reading by a vote of 50 ayes and, with Representative Takamine being excused.

Conf. Com. Rep. No. 141-02 and S.B. No. 251, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 251, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Thielen and Whalen voting no, and with Representative Takamine being excused.

Conf. Com. Rep. No. 142-02 and S.B. No. 2127, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2127, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Just very briefly, Mr. Speaker. This is just a \$200 payment to the retirees. In our system, I understand we would like to pay them more. However in these tight, difficult times, particularly with the ERS under subject of lawsuit perhaps being under-funded, I question the wisdom of what is basically just a \$200 straight cash payment to our retirees in our system. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2127, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Djou, Rath and Stonebraker voting no, and with Representative Takamine being excused.

Conf. Com. Rep. No. 143-02 and S.B. No. 3047, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3047, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE WAIPAHU COMMUNITY ADULT DAY HEALTH CENTER AND YOUTH DAY CARE CENTER PILOT PROJECT," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Djou and Fox voting no, and with Representative Takamine being excused.

The Chair directed the Clerk to note that S.B. No. 2068, SD 2, HD 2, CD 1; S.B. No. 2270, SD 2, HD 2, CD 1; S.B. No. 2512, SD 2, HD 2, CD 1; S.B. No. 2831, SD 1, HD 1, CD 1; S.B. No. 3048, SD 2, HD 1, CD 1; S.B. No. 251, SD 2, HD 1, CD 1; S.B. No. 2127, HD 1, CD 1; and S.B. No. 3047, SD 1, HD 1, CD 1; passed Final Reading at 8:30 o'clock p.m.

At 8:31 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:31 o'clock p.m.

Conf. Com. Rep. No. 144-02 and S.B. No. 2500, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2500, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative M. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of S.B. 2500. My reasons are as follows:

"First, while Medicaid is a partnership between the State and Federal Government with each paying 50% of the total cost, Medicare is 100% federally funded. Thus, the State should make every effort to recover full health care costs from the Medicare program for Hawaii's 18,000 residents who are dually eligible for Medicaid and Medicare.

"Second, nationally, more than 80% of Medicare application denials are reversed on appeal. However, with the exception of the Legal Aid Society of Hawaii's pilot project on the Big Island, there is no 'client focused' advocacy on Medicare applications or denials, often resulting in the loss of Medicare benefits.

"Third, unlike Medicaid, Medicare does not have an asset limit, and therefore does not require a beneficiary to 'spend down' their assets. This permits seniors to continue living in their family home, and allows seniors to maintain their modest savings to pass on to the next generation. In addition, seniors who receive Medicare-reimbursed home health and skilled nursing services can avoid the need for institutionalized care, which is costly to the State.

"Fourth, the Medicare Advocacy Project is a contingency fee contract which places no financial risk on the State. It mirrors the Legal Aid Society of Hawaii's long-standing SSI contract which transitions State welfare recipients to Federal Social Security programs. In fiscal year 2001, Legal Aid obtained \$2.817 million in federal dollars on its \$274,000 SSI contract, representing a return of \$10 in Federal money for every State dollar invested.

"Finally, according to the Health Care Financing Administration, Hawaii has the lowest percentage of Medicare reimbursements in the nation, and serves only 571 Medicare Beneficiaries per 1,000 enrollees. Increasing the percentage of Medicare reimbursements could therefore bring millions of federal dollars into Hawaii's economy."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2500, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 145-02 and S.B. No. 2568, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2568, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I am in strong support and the reason I am rising to remark on this measure is because I do want to inform the rest of the members that in Conference we had actually agreed to move the Commission from the Attorney

General, as was written in the bill, to the Department of Labor, Office of Community Services. The reason we did that is because no funding was available. But the Office of Community Services, which provides services to the many immigrants and refugees was willing to take it on as part of their overall services. So that was the intent. Unfortunately, in drafting the Conference draft, the changes were not made. However I do believe that this is an important bill.

"I want to draw a parallel to another Commission that we have in statute, and that is the Architectural Access Committee. This Committee was formulated by statute to make sure that State agencies, in construction of buildings, conform and comply with ADA standards. And in this way they avoid, the State avoids, many lawsuits. And very similarly, even though language access is not as readily visible or tangible like physical barriers, they can create barriers to services that the State offers.

"Under the Civil Rights Act, people are supposed to have equal access to services that are offered to everyone, regardless of their ability to speak English. So the purpose of this Commission is to provide advice to our State agencies, especially in the Departments of Health, Human Services and Labor. To provide advice as far as how to avoid litigation and in providing equal access to all citizens regardless of their ability to speak English.

"So this is an important measure and I am hoping that the Governor would perhaps ask the Attorney General to consider starting out this Commission, even on a temporary basis, and I hope all the other members will support this measure as well. Thank you, Mr. Speaker."

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of S.B. 2568 which creates a 13-member Commission within the Department of the Attorney General to develop a statewide plan to enhance access to health and other state services for people with limited proficiency in English. I understand the intent was to place this in the Office of Youth Services.

"Mr. Speaker, some of my fellow colleagues have attacked this measure as 'a luxury' in a year of budget-cutting. But, Mr. Speaker, I believe complying with the legal intent and the ethical heart of the Civil Rights Act of 1964 is far from a luxury. Complying with this ground-breaking act is a sacred and legal duty. No one should be shut out of essential health and government service based on race, religion, gender, and yes, degree of proficiency in English.

"We are an island state built on the hard work of generations of immigrants from many nations, speaking many languages. Parents of fellow colleagues in this chamber learned English on the plantations. Their struggle to build new lives were brave and difficult. But, their struggles were more difficult than they should have been. Despite their hard work, the manmade barriers of prejudice, language and culture hindered their socio-economic rise.

"But we are no longer a plantation society and we should not act or think like one. It is our duty, not our luxury, to extend our hand to those of other languages so that they can gain access to health and other services and become even more productive citizens.

"Passing S.B. 2568 is not a 'luxury', but a legal duty.

"At the federal level, President Clinton signed an executive order on August 11, 2000, that took the lead to uphold and fortify the intent of the Civil Rights Act. The Presidential order directed federal agencies to systematically confront language barriers that can lead to unequal access to federal benefits based on national origin. The Presidential order commanded all federal agencies to improve the language accessibility of their programs and to break down language barriers by implementing consistent standards of language assistance across agencies and recipients of federal financial assistance.

"Other states have followed the federal lead and we should too. For those who think this is an act of luxury, consider the legal bills if we do not comply and are faced with lawsuits similar to the costs we incurred when we did not comply with the Felix consent decree. We are no longer a plantation society and we should no longer legislate with that mentality."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2568, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LANGUAGE ACCESS FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY," passed Final Reading by a vote of 45 ayes to 6 noes, with Representatives Djou, Gomes, Jaffe, Moses, Rath and Stonebraker, voting no.

Conf. Com. Rep. No. 146-02 and S.B. No. 3049, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 3049, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Espero rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. We all know that traffic congestion is a big problem in West Oahu and other parts of our State. It is imperative that alternative methods of travel be researched and developed. The State's ferry demonstration proved there was a demand for ocean commuting. A ferry for West Oahu and other areas must be aggressively pursued and completed. S.B. 3049 will help make a ferry system possible for our State and it will provide an alternative to getting into a car and sitting in bumper-to-bumper traffic. To vote for this measure Mr. Speaker is to vote for traffic relief for a segment of our population and I urge all of our colleagues to support it. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3049, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BONDS," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Halford, Jaffe and Meyer voting no.

Conf. Com. Rep. No. 147-02 and S.B. No. 2702, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2702, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KALAELOA COMMUNITY DEVELOPMENT DISTRICT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 148-02 and S.B. No. 2331, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2331, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Garcia rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Garcia's written remarks are as follows:

"This measure will enable our State to properly acknowledge and commemorate the Korean War as fifty years have passed. Just as we did a few years ago with a similar commission for the fiftieth anniversary of World War II, there will be numerous ceremonies and events statewide that the proposed Korean War Commemoration Commission will organize. It is only proper that we support this effort to remember all those who played a role in the so-called 'forgotten war.'

"I urge my colleagues to support this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2331, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 149-02 and S.B. No. 2306, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2306, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Halford, Leong, Marumoto, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 150-02 and S.B. No. 2883, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2883, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Fox rose to speak in opposition to the measure, stating:

"This bill turns people who rent cars into insurance sales people, to sell car insurance to their customers who come up. The Legislature wisely, several years ago, got rid of the policy by which people who are renting cars were able to make commission on the insurance they sold to people that are renting.

"This is an effort to come back on that policy that we used to have before, which was very detrimental to our tourist industry, because basically it pushed policies on tourists that they didn't really need. It resulted in kind of a heavy hawking atmosphere at the rental car counter.

"Let's forget about the tourists. Maybe they are not so important to our economy. Let's just concentrate on the residents. Because one out of every four people who rents a car in Hawaii is a resident. Let's just spare our fellow residents the necessity of having them sold an insurance policy that they don't need because the Legislature today did the wrong thing. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2883, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Ahu Isa, Arakaki, Fox, Halford, Jaffe, Kahikina, Leong, Meyer, Morita, Moses, Takai, Takumi and Thielen voting no.

Conf. Com. Rep. No. 151-02 and S.B. No. 2431, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2431, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"All in all, the intent of this is very noble. It's to address our campaign spending laws and to dry up the 'mother's milk' of politics: money. Politicians are under tremendous pressure to raise large amounts of money and sometimes the effect is corrosive and even corrupting. I would like to be brief but unfortunately this is a very long and convoluted bill, so I ask for your indulgence.

"One good point about the bill is it does place a cap on the aggregate amount an individual or entity may contribute to all candidates during this cycle. It prohibits unions, corporations, and banks from giving direct campaign contributions. And prohibits an office that has the discretion or the authority for awarding contracts to any person who has made a campaign contribution. You can't get a contract if you've given campaign contributions within a certain period of time. It requires that people applying for public funding receive the matching amounts from residents of the State. So all in all, I am very much for the intent of the measure.

"I asked a federal attorney to look at the bill because I was having a lot of difficulty understanding the measure. It is very complex, and it is a very important one to all of us here inside and outside the building. He provided me with a very quick analysis and with your indulgence, I'd like to read and paraphrase his thoughts. He deduced that this has very far-reaching consequences. And these important changes include barring banks, corporations, labor organizations, membership organizations, and this does not define and certain other entities from making campaign contributions to any State or county candidate for political office, or to any candidate committee or non-candidate committee. All of the affected entities however would be allowed to establish or contribute to separate, segregated funds for the purpose of influencing the election of particular candidates. It does not appear that this section bans corporations, banks, and labor unions from making contributions to political parties. However it is slightly ambiguous and could be argued that contributions to parties could in some circumstances be construed as contributions 'in connection with the election of a person to political office or in connection with a candidate committee or non-candidate committee'.

"This bill seems to indicate that a party is not considered to be committee for the purpose of this new subsection, but that is not totally clear thus it is not clear that a political party is able to receive corporate or labor union donations. If the authors of the bill could clarify any of these points that are raised it would be most helpful, especially for the record.

"This new section is obviously one which will have a significant impact on candidates and parties. If corporations, banks and unions are unable to give money to candidates or committees, that will of course, significantly impact candidates'

abilities to raise money. The provision is very likely constitutional under federal law, but that is not totally clear. The United States Supreme Court has consistently upheld limits on contributions. This bill however goes further than the statutes, at least in this case, in imposing an aggregate contribution limit on entities of \$12,500."

Representative Davis rose to yield his time, and the Chair "so ordered."

Representative Marumoto continued, stating:

"Thank you, Representative Davis. This \$12,500 is the aggregate total contribution in a two-year period. If the statute wholly barred contributions by entities like corporations and labor unions, I think it will fail constitutional muster. Whether an aggregate limit is the functional equivalent of a ban on contributions, given the large number of State and county races, is a question a court will eventually have to answer should the bill be enacted.

"There is, in addition the question of whether the Hawaii Supreme Court will interpret the freedom of speech provisions in Hawaii's Constitution more broadly than the First Amendment of the U.S. Constitution. I believe a court challenge is very likely if this bill is enacted into law, and I think what he is saying here is that the limits may be very too low.

"In addition, the limits placed on corporations, banks, and unions are apparently not placed on partnerships, and this raises the issue of whether the statute runs afoul of the Constitution's requirements concerning equal protection of the law.

"I provided the draft of the bill that we voted on in the Conference Committee, and there were some minor changes so there might be discrepancies in this particular letter.

"This provision may have a disparate impact on the two major parties in Hawaii. Unions for example, will be free to set up the separate, segregated funds, and I think I could call them PACs. Political Action Committees, to solicit money for those funds from their members for the purpose of influencing elections and supporting candidates. Thus the union could raise and spend money for advertisements supporting a particular gubernatorial candidate. Well, theoretically, corporations are free to do the same. It seems more likely that this will be done by unions. This is because the members endorse candidates, and businesses, corporations are in business, so they rarely demonstrate any bias toward any candidate or position. Money will flow to the labor unions, to these PACs, to fund advertising, rallies, commercials in support of, or in opposition to particular candidates.

"A very interesting portion of this bill seeks to sever the tie between the Executive Office and contracts. There is a proposed ban on the State and county signing any contracts with any persons or entities that have made certain types of political contributions. The apparent intent of the bill is to bar the awarding of any State or county contracts to any persons or entities that have made contributions to any candidate for public office. If that office has the authority 'or discretion to enter into any contract or agreement for the State, any of its counties, any department agency, or entity thereof ... for the rendition of professional or personal services or furnishing any material, supplies, or equipment...' The statute does not define which offices have the authority or discretion to enter into contracts for the State and counties. Clearly the Governor and the various mayors have such authority. Perhaps County Council members have that authority. Does the Legislature have that authority?

"The statute is very broad. If the Legislature wanted to, it could functionally commit the State to a particular contract or contracts, although this power might be reserved solely to the executive branch. It would appear that the statute is likely not intended to apply to the Legislature but that is not entirely clear. I do know that the Speaker and the Senate President do issue contracts and we in fact, hire our own staff."

Representative Leong rose to yield her time and the Chair "so ordered."

Representative Marumoto continued, stating:

"Thank you. Regarding counties, in addition the way the bill reads, if contributions are made for example to a particular county office like, for instance, the Kauai Mayor, the contributing entity is barred from any State or county contract even if it were a contract to build an Oahu school, or a contract with OHA or the ERS, the State of Hawaii or the County of Hawaii. This seems over-reaching and it's probably an unintended consequence. This is an anomaly. This section does not bar contract awards to an entity that establishes or contributes to a separate, segregated fund or a PAC. Thus if a particular corporation or partnership established a separate, segregated fund to support the election of candidate A for Governor, that entity and any other entity contributing to that fund would not be barred or banned from receiving State or county contracts.

"This looks like a loophole. This bill takes effect on November 6, 2002 this means that contracts cannot be awarded after the date to individuals or entities, which have made prohibited contributions in the two years prior to the contract award. Thus for example, if there were a contract whose notice went out on December 1, 2002, that contract could not be awarded to an individual who had made a campaign contribution to a gubernatorial candidate in January 2000, prior to the contributor having had any idea that a bill like this will be enacted. While a possible interpretation of the bill is that it applies only to contributions made after November 6, 2002, that is not what the bill actually says. And the plain language of the bill is contrary.

"Moreover this interpretation raises a very significant constitutional issue in terms of applying the bill to those who made contributions prior to its passage. The bill states the contract cannot be awarded if a person makes a contribution during the performance of the contract during the two-year period subsequent to the completion of the contract. This I think is just unintended. The obvious intent is to bar contributions during the course of the contract and the two-year period subsequent to the contract, but that is not exactly what the bill says.

"This bill also amends Hawaii Revised Statute Section 11-204 by adding a section providing that no person or entity can make an aggregate contribution in the two-year election period of any amount greater than \$25,000. This type of limitation is similar to the feds and has been upheld by the U.S. Supreme Court and would pass constitutional muster. The obvious impact on candidates is that to the extent there are individuals of partnerships who make large contributions to many candidates, those individuals and partnerships will now have to limit either the number of candidates to whom they contribute or limit the amount they give to those candidates.

"Another provision in the bill and amendment to Chapter 11-294 potentially increases contributions from partnerships. I will not go into that, delving through too deeply.

"There is also what appears to be a confusing part of the bill dealing with expenditures for a coordinated activity. This

provision appears to be unconstitutional. One section requires that payment made by a person at the request or suggestion of a political party or of a candidate, is considered to be both a contribution to, and an expenditure by, the candidate. So for example, if the Republican Party or the Democratic or the Green Party for that matter, were to suggest to its members that they go out and put up signs supporting a particular candidate, any amount spent by supporters would be considered contributions and expenditures by the candidate. This lawyer felt that this was a significant change from current law.

"The current law already provides that expenditures made by parties for the benefit of the candidate in cooperation, consultation, or counsel, where at the request or suggestion of a candidate, are considered contributions to the candidate and expenditures. The new coordinated activity provisions may be intended to apply to additional activities by a political party. And the new provision does not appear to change a lot regarding specific activities by political parties."

Representative Thielen rose to yield her time, and the Chair "so ordered."

Representative Marumoto continued, stating:

"Thank you. I am sorry I am taking so long.

"One portion of the coordinated activity provision is clearly unconstitutional. A new section provides that payment by a person for the dissemination of written materials prepared by the candidate is considered coordinated activity. So under the provision if someone were to take the candidate's written materials, copy them and hand them out, the money that was spent would be considered an expenditure and contribution to the candidate. However, the bill provides that this section does not apply with respect to materials published on the candidate's website and republished at the cost of less than a \$1,000. So pursuant to this section, if the candidate put something on his website and it is printed out, copied, and distributed, it would not count as a contribution as long as the expenditure was less than a \$1,000. This clearly constitutes disparate treatment based on the type of speech and is unconstitutional. Government cannot legislate that the materials on the website are entitled to more protection than other written materials.

"Another questionable part of this section provides that if the person had merely discussed campaign strategy and tactics for the candidate, then any spending by that person in support of the candidate is considered to be a contribution to the person, to the candidate by the person, to the candidate, an expenditure by the candidate.

"In addition if a person had previously served as a fundraiser for a candidate, then any expenditure by the person in support of the candidate is considered to be an expenditure by the candidate and a contribution by the individual. This provision would not pass constitutional muster. Simply because a person talks to a candidate about strategy, for example, cannot constitutionally turn expenditures by the person involved in the discussion into expenditures of, and contributions to, the candidate. I have read the coordinated activities section many times, and I have found it very confusing.

"This bill will have a very significant impact, as I said. Some of the effects may be very well and good, and solitary. However it seems to me that ramifications of the bill have not been well-thought out and sufficiently considered. There is very likely good reason to bar the award of, sometimes, contracts to those who make some type of contributions. The statute however, is overly broad. I would like to just bring up one more point.

"The Chairman of the Judiciary received a letter from the Campaign Spending Commission and he copied the members of this Body, and probably the Senate also. And what was very interesting is there appears to be a loophole, and what he brings to our attention is that no person or any other entity shall make contributions to a non-candidate committee in an aggregate amount greater than \$1,000 in an election, except that in the case of a corporation or company using funds from its own treasury, there shall be no limit on contributions or expenditures to the corporation or company non-candidate committee.

"Apparently this is new language. On the other hand, it may be new to the bill. Any illumination that the leaders of the Judiciary Committee can bring to this Body would be greatly appreciated. It is a very complex bill and I think that the intent is very good. I think that we should strive for reforms in campaign spending and I thank you very much for listening to my concerns. Thank you."

Representative Hamakawa rose to speak in support of the measure, stating:

"First of all very simply, this bill levels the playing field. It makes everyone equal. It makes everyone's voice heard in the legislative process and in the political process. It takes big money interest out of electoral politics by limiting contributions by any person or entity to \$25,000 per individual.

"Secondly Mr. Speaker, this bill provides some transparency with regard to contributions by large organizations: banks, corporations, labor organizations. I am glad the Representative from Waiālae brought up the letter from Mr. Watada because Mr. Watada, in his letter talks about some legislative intent. Mr. Watada is not a part of this Body. The legislative intent of the measure, Mr. Speaker, was to provide some transparency. If a corporation is going to be making large contributions, then they have to form a PAC, and that is all this thing says right here. They have to form a PAC.

"Expenses of the corporation or company or non-candidate committee - that is just a segregated fund. If they don't wish to form PAC, then their contributions are limited to \$6,000, and that is the ceiling limit and that is so smaller corporations can participate in the legislative process without having the hassle of going to see a lawyer to draft up papers to form these segregated funds.

"Lastly Mr. Speaker, the bill prohibits contributions from contractors. I think this is a very strong provision in the measure that all of us in this Body advocated for. We all want to take those contractors who are actively lobbying for their jobs, out of the political process. And we put in a very strong provision that says that if you made some contributions two years prior, you can't apply for a contract. The State is prohibited from granting you a contract, from entering into an agreement with you, and that prohibition lasts during the term of the contract and two years after. It is a very strong provision that takes contractors out of the playing field.

"Mr. Speaker, you know, I've heard some comments from the previous speaker about this measure being unconstitutional. Most of the language from this bill is drafted from the federal law that just recently passed and was signed by President Bush. If the Representative was concerned about some of these issues, she was also a conferee on this measure, and she certainly could have brought these matters to our attention, but that wasn't done.

"Mr. Speaker, I think what we have here is a very good bill, a very strong bill. This sends a very strong message out that we are very serious about what we are doing with regard to

campaign finance reform and I urge everyone to support the measure. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support of this measure. I just wanted to clarify some the questions that have been brought up earlier. I think it is important to emphasize that this really does track a lot of the federal language. A lot of the inconsistencies or the questions that were brought up, I don't know how familiar the attorney is with federal campaign spending law, but if he is, he should know that most of this ground has already been covered.

"You know when it comes to the aggregate limit, all the way back in 1971, in *Buckley v. Vallejo*, the Supreme Court said that an expenditure limit is fine, even an aggregate contribution limit is fine. The Supreme Court there distinguished between contribution limits and expenditure limits, and they said that contributions are a little bit different. They don't have the real protection of free speech that expenditures do. You cannot limit someone's expenditures, but you can sometimes limit their contributions. While you cannot totally ban it, you can put limitations on it. And I think that was the important distinction being brought up by the Supreme Court all the way back in 1971. So if you think about it, really, the aggregate limit part of it, under \$25,000, that is not too big of a concern.

"Another question was brought up about the distinction between partnerships and corporations. If you look on page 11 it specifically talks about partnerships and how they treat them. Partners, if you are a 25% interest in the partnership then you would be considered as part of. You will be able to contribute as an individual or through the partnership, but not both. So there what we've clearly stated was what we don't want are people that have a significant interest in a partnership or corporation donating through that and also donating individually. Because in essence if you own 25% or more, we believe that you stand in the shoes of the partnership, and therefore are treated likewise.

"The next thing about the State or national banks, corporations, labor organizations, and the requirements for them to set up a PAC, that also comes directly from the federal language. As I think the Chair from Judiciary stated, what we did a little bit differently was we put a \$6,000 exception so that you don't have to set up a segregated fund if that is all you're going to be donating. Because what we didn't want is smaller corporations who don't make significant contributions to have to go through all the rigmarole of setting up a PAC. Instead what we said was with that \$6,000, they can freely just donate as long as they don't exceed it. However if they do exceed it, then the question becomes how much can they give? That is where the limitation comes in. They cannot give more than \$25,000.

"There is a really significant and really important limitations on where these monies can come from once it is going into the segregated fund, and I think those things really together, level out the playing field. Because what it says is it cannot be through coercion or really trying to force people to donate. It has to be strictly voluntary.

"The next point was about the contractors. It was stated that maybe these contractors would get around the law by forming PACs. However on page 17 line 2, it says specifically that any contractor who directly or indirectly makes contributions, indirectly is through a PAC, so it's covered right there.

"The next question that was brought up was on coordinated activity. This is the one part of the law that actually does not

really track the federal language. This was an addition that was trying to be inserted through the McCain-Feingold legislation. However it was left out in the final Act. Really what it tries to get at is it is saying that if you are going to perform coordinated activity actually coordinating and working with a political party, then those kind of expenditures should be counted. And it really doesn't say that they are banned or anything else. All it says is that because you are participating actively in that, we consider that something you need to report. And I think that although there were a lot of questions being brought up, different facts and arrows. You know I think it really will be a fact-by-fact basis, and it will depend on the amount of evidence that is gathered by the Campaign Spending Commission or the Prosecutor ultimately to decide the outcome of this.

"So I hope some of that answered some of the questions that were brought out, but overall I think because we are really closely tracking the federal language. I really think there is no real constitutional issue. You know we didn't go quite as far as the McCain-Feingold Act. There, they do some really significant things in terms of limiting soft money. We didn't go that far, so we are not treading on any kind of constitutional muster grounds, I think. We are very safe on where we are treading and therefore I feel very comfortable and hope that everyone will pass this. Thank you."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes, thank you very much, Mr. Speaker. I wish to speak with some reservations. In fact, some rather strong reservations. I want to make mention that I did not sit in the Conference. I wasn't invited to sit in the Conference and I wonder why?"

"I believe that this bill does go too far. Certainly it has good intentions. The Chairman and the Vice Chairman worked very hard on it. They are very above-board and they want to do what is right. But sometimes what may seem right may not be at all. What you are doing is you are shifting the power and the ability to get funds to run, from the individual, to the PACs. The political action committees will become the powerbrokers of the future, not the individual Representative from 1 of the 51 districts. You have a power switch there. Yes, contractors cannot give, but they'll find ways. Why do you think Congress approved this? For Congress, they get their funds through PACs. Just look at their fundraising balances. Where do they get their funds from? Political action committees. So this is where the power of the future is going to be in running the State. It will be with the PACs.

"Also, average people like you and I probably will have a very difficult time to gather enough money to afford to run. The very rich will be able to run and those who are retired, or have a good salary would be able to run. But not for others.

"There are some 'red flags' out here. I speak very warily with some concern. I have been in this Body for twenty years. I've watched people come and go. I have an instinctive feeling that this bill may need a little bit more work, in spite of the dedication that the Chairmen have. All I can say to you members is good luck, as this bill moves on. Thank you very much."

Representative Schatz rose to speak in support of the measure and asked that his written remarks be entered in the Journal, and the Chair "so ordered."

Representative Schatz continued, stating:

"Mr. Speaker, this bill will dramatically alter the landscape of Hawaii's political system. It does several important things.

"First, it disallows entities who make contributions over a certain threshold to executive branch candidates from receiving contracts from that same candidate should he or she win the election. This is targeted at large contractors, and is not intended to affect nonprofits, collective bargaining units, or entities or individuals who volunteer with political campaigns. This is exclusively designed to prevent huge amounts of money from flowing into campaigns, and the potential quid pro quo relationship of a large financial award to the entity that provided substantial financial support to that candidate. Again, if someone volunteers on a campaign, this legislation doesn't preclude them from being eligible for a contract of any kind.

"Second, it bans direct contributions from the treasury of unions, corporations, and banks. This is an important start in leveling the playing field, but there is a flaw in the language that we have to fix. It appears to treat corporations and unions differently, allowing corporations to take money directly from their treasury and put it into a PAC, but the language is not clear whether or not a union can do the same thing. We should fix this discrepancy in drafting in the next legislative session.

"Mr. Speaker, this legislation is one of the most comprehensive reforms that I have seen the Legislature undertake, and I am happy that we have shown the courage to pass it. We must continue our commitment to this reform by refining and improving this legislation to ensure that it has the practical effect of leveling the playing field."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2431, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 152-02 and S.B. No. 3028, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 3028, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REGULATION OF WARRANTORS OF VEHICLE PROTECTION PRODUCTS," passed Final Reading by a vote of 40 ayes to 11 noes, with Representatives Ahu Isa, Djou, Gomes, Halford, Jaffe, Leong, Moses, Rath, Stonebraker, Thielen and Whalen, voting no.

The Chair directed the Clerk to note that S.B. No. 2500, SD 2, HD 1, CD 1; S.B. No. 2568, SD 2, HD 1, CD 1; S.B. No. 3049, SD 2, HD 2, CD 1; S.B. No. 2702, SD 2, HD 2, CD 1; S.B. No. 2331, SD 2, HD 2, CD 1; S.B. No. 2306, SD 2, HD 2, CD 1; S.B. No. 2883, SD 1, HD 1, CD 1; S.B. No. 2431, SD 2, HD 1, CD 1; and S.B. No. 3028, SD 1, HD 2, CD 1; passed Final Reading at 9:11 o'clock p.m.

Conf. Com. Rep. No. 153-02 and S.B. No. 3018, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 3018, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Fox rose to speak in opposition to the measure, stating:

"The biggest disappointment of this legislation is the failure to meet the people's demand that we fix a broken education system. This bill would study what to do about the problem. We should make it really clear that we know it is beyond the stage of study. We know that the time for action has come to

fix this school system, to break-up the single statewide school system that we have, down to local elected school districts. The people of Hawaii in the People's Poll gave 80% approval to breaking up the statewide school system and creating eight local school districts. That was the question they were asked. Only 13% of the people of Hawaii opposed the measure.

"Mr. Speaker, the average school district in the United States has 3,196 students. If you look a list of the 50 states, like I have, ranked by school districts, the size of their school districts, you'll find that the 49th state, Florida, has 36,285 students. We sit down at 50th, a little bit larger than 36,000. Our school system has 182,328. If we divide it our statewide school system into seven districts, we'd have 26,000 students in each district, we'd rank 48th in the country. If we divided it into fifteen school districts like the House proposed, we'd have 12,155 students. We'd rank 47th in the country.

"Mr. Speaker, why is this significant? A study was done recently of 33 of these 50 states. The study looked at 4th and 8th grade reading and math and NAEP scores and combined them to get a total to compare the states. If we look at these 33 states, based on the size of their school districts, 10 of the 33 states had an average district smaller than the national average. Of those 10 states, 9 scored above the national average on these tests including the top 6. All of the top 6 schools were in the smaller group.

"Of the 23 states with an average school district larger than the national average, only 7 scored above the national average on the test. Large school districts had the bottom 8 scores and 15 of the bottom 16 scores. You know it doesn't get less complicated than that. Break up the large school district into smaller school districts and we'll do better. We should vote down this bill. We know the right thing to do. We should insist that we have the decentralized school system by voting down a study we don't need. Thank you, Mr. Speaker."

Representative Case rose to speak in support of the measure with reservation, stating:

"Thank you, Mr. Speaker. I rise in support with deep reservations.

"Mr. Speaker, let me first say that I very much agree with the comments of the previous speaker, the Minority Leader. When the story of this Legislature is written, as it is going to be written in just a few days, one of the top three failings of this Legislature is going to be the failing to deliver on education reform. I have no doubt that of that.

"We entered this Session with education at the top of the public's mind and we exit this Session with no education reform. This is not reform. This bill is not reform. This bill is 'window dressing.'

"I do not lay the blame in any way on this Chamber. I think this Chamber performed admirably. I am voting for this bill because of my deep respect for the Education Chair who undertook reform, and for those who worked with him on both sides of the aisle. I think we all turned to this job and did the right thing. We led in the face of opposition.

"I lay the blame squarely on the shoulders of the other Chamber. I think the other Chamber let us all down, this entire State down, in the area of education reform. I hope they pay for that because it is going to be at least two years before we can set out again upon the process of real education reform, and all we did in this bill was buy another two years.

"You look at this bill and you think: what is really the use of it. We've got a taskforce, a taskforce composed of basically the

people that were in the Conference. What is going to change? I mean, it is almost a waste of time. You have a hard time voting against it because we need to keep talking about it. We can't just give up. We can't walk away. But the obstacles are still there. The obstacles are still there, those that believe that this education system works, who have the arrogance to deny to the people of Hawaii the right to make that call. This call belonged to the people, this year.

"I agree with the Minority Leader on the substance of what he says, but that wasn't what we asked of this legislative Session. We asked to be able to give this to the people to decide, and those people that defend the status quo in an unworkable, un-governable education system, they didn't want the people to decide that. And I will remember that always as an example of selfishness because that's what it was. Protecting turf. That is all it was. And yet it worked.

"So I hope that as we go forward with education reform that we'll all be back here in some way, whether in this Chamber or in some other fashion, working on education reform again. I hope that something good comes out of this taskforce. I am not hopeful that it will, but maybe it will. But the question will be back next year and I hope at that time we have the guts finally, to produce real reform in education. But until then, all I can say is to the Chair, the Representative from Mililani, to Leadership on both sides, and to members, we did our job. Thank you."

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. The most important short-term issue facing our State perhaps is economic stimulation and returning to economic growth here in Hawaii. But clearly the most important long-term issue for our State is without a doubt, education reform. This bill started off as a very, very good bill. It left the House and the Senate as a very strong statement that we believe in education reform. Unfortunately what we are left with in Conference Committee Report No. 153, S.B. 3018, is an extraordinary disappointment of many missed opportunities. Of all the disappointments here in this Legislature, nothing comes close to this bill in ranking as the greatest single disappointment, in my opinion, as with this particular measure.

"The people of Hawaii do not need another study. The people of Hawaii need a bold break away from the status quo. The people of Hawaii need dramatic education reform that was originally set forth in the House draft of this particular bill. We don't need what has come out of this particular Conference draft. Thank you, Mr. Speaker."

Representative Ontai rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. My opposition, Mr. Speaker, I just want to make clear, even though I am going to vote no, it doesn't reflect on anyone in this Chamber. As a matter of fact, I enjoyed working with the Chair and with the other side. I found out that they weren't the dirty... I am sorry. I digress. But I found out that I enjoyed working with the other side and really because we are both, both sides, are very motivated toward an objective to make the education system better. For those reasons Mr. Speaker, I just wanted to express that, even though I will oppose this bill."

Representative Yonamine rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I wish to vote in favor of the bill, but I do have questions.

"First, in terms of public schools and public education. I just have the feeling that people are 'bashing' public schools again. You can name all the issues you wish, label it in whatever way you want, and what we are talking about is that the public schools here in Hawaii are simply not good enough, and they don't compare to the mainland or to other private schools etc., etc., etc. I think that is false so let me go back to the bill.

"We cannot compare ourselves with the mainland. I told you before, we are the only ones with a three-boss system. The rest of the mainland, almost 16,000 school districts, rich and poor, and they have taxing authority through the property tax.

"Now, if we wish to really get into reform, let's talk about taxing authority too, on the part of the board or whatever elected board that you wish to create. So we cannot compare then, a statewide system which Hawaii is, with the many, many different samplings the state uses in terms of coming up with some cumulative scores. And then compare that to Hawaii because our sampling is from the whole State with 168,000 students. That is the kind of comparison we have to be very careful of.

"In terms of looking and criticizing our school system, that our kids are not smart enough, are not able to compete or go on to greater learning opportunities in the public schools. Now what I am really concerned about is this. I have been around for too long, 25 years, and I have seen all these Governor's bills come and go. Folks, I am sorry. This is the single most discouraging decision that we have made in terms of education, as the previous speaker has said. Well, I tell you what. I've seen too many of these reform bills come. And one of the things we still have to do now, regardless of my feelings about three-headed monster, three-boss system, is the fact that we have a study group, and we should be committed to first work out carefully, a very complicated system.

"Now the DOE and the Governor's school board are not easy to do. Within our original House bill, well the many elements of it which are now embraced and incorporated into the tasks of the taskforce, the fact is it's a complicated one and I keep saying you can't do it overnight. And so by first creating this taskforce, as much as I think it's a delay, and I thought we would do it by 2004 or 2005, this is still 2003, this is much too fast and much too quick. We've got to take it out to the people to discuss this some more. And it's not a study, it's a work group that is going to work out the logistics, and the planning, the implementation, timetables, that are absolutely necessary.

"We are talking about the internal the organization of the DOE. We are talking about the restructuring of our area boards, the restructuring of our district staff. We are talking about personnel policy, and the staffing that is needed to adequately staff an area board. And we even have to spell out what the area board people do. It is not clear.

"And we need to do something about the charter schools. Where do they belong? We need to look at how the area boards' budget is going to be submitted. Who makes the final decision on that? And then we have to be concerned about when they all come to the Legislature for additional funds.

"CIP. Forget CIP. They'll be coming to us for repair and maintenance, curriculum, any type of support services that the area boards feel that they need which are unique to their area. They'll be coming to us. And these things we have to anticipate."

Representative Cabreros rose to yield his time, and the Chair "so ordered."

Representative Yonamine continued, stating:

"Thank you, Representative. So these are the things that we really need to work out. Now if we did it in 2004-2005, I think that is adequate time to do.

"I've heard about the area boards. I've heard decentralization bills for at least 20 years. It has been battered around. It's been discussed with no formal way of incorporating or implementing decentralized boards. Now what we need to do is really do something with these area boards or any other type of elected boards. We have to. And then try to put it into some workable, realistic, practical package - one that you take out to the people to decide. And for them to provide input into bettering the governance of our public schools. Thank you."

Representative Hale rose to speak in support of the measure with reservations and asked that the remarks of Representative Case be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Hale continued, stating:

"Mr. Speaker, I support S.B. 3018 with very severe reservations. I support it only to keep the issue alive, but I would like the remarks of the Representative from Manoa put as my remarks because I think he put it very well.

"I came to this Legislature with education as one of my primary goals, because being an educator myself, although my children have long ago left the system and I have left the system, but to me education of our children is the most important thing. This is the most core function of the State government that we have. We have to realize that we started out with a very centralized government to begin with. And little by little, we are trying to bring it back down to the people.

"I started out in politics almost 50 years ago when nobody in the State trusted local boards of supervisors, which they were called in those days. We operated under State law. We didn't even have our own charters. So over the years, I have seen more and more democracy come to the State of Hawaii, and it has made me feel very proud to have been a part of this process in one way or another. I feel that what we did in the House was to pass a constitutional amendment putting a very simple question before the people. Do you want to abolish the State board and have local elected boards? That was the problem. There is a question of whether people want it or not. Let them decide. I think too often people in the Legislature and in positions of authority forget that they are only representatives of the people. And although we might think we know what the people want, it is sometimes very wise to let them exercise their prerogatives through the ballot, and that's what this would have done.

"I don't blame the House. And I have great respect for the Chair of Education Committee because he has proposed many, many creative ideas, some of which passed and some of which didn't pass. But he is a very resourceful and responsible person and I really give him credit for following through on all of this. I blame the other house. It's just too bad that they don't have enough faith in the people to let them decide. I hope that if I come back and that the majority of us get back here, so that we can convince our colleagues on the other side, next time, to at least let us put this question before the people. Thank you."

Representative Halford rose to speak in support of the measure, stating:

"I am in support, lackluster support. Mr. Speaker, some of the comments made here tonight are right on that this House did do a good job. We were willing to challenge the Senate,

compromise, meet them wherever they needed to be met in order to have real reform. And they wouldn't play.

"Mr. Speaker as long as I been paying attention to politics in Hawaii, legislative candidates, Governor candidates, and Board of Education candidates have campaigned for more than the last 20 years, on making the education system in Hawaii second to none. And every two years, the same hopeful claims but with no progress.

"There is no way that we could say that our education system today is better than it was 10 years ago, or 20 years ago. That is truly a disappointment. The furthest movement I've seen government make toward constructive reform was in this House, this year. But what this bill that I am speaking in favor of is, is a disappointment in that, that's all we got. Thank you."

Representative Souki rose to speak in support of the measure and asked that the remarks of Representative Yonamine be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Souki continued, stating

"Just a matter of information for some of the members here, that the Representative from Pearl City served as the Chairman of the Board of Education for many years. So he has some knowledge of what the problems and issues are. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3018, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Bukoski, Djou, Fox, Gomes, Jaffe, Meyer, Moses and Ontai voting no.

Conf. Com. Rep. No. 154-02 and S.B. No. 2036, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2036, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Jaffe and Moses voting no.

Conf. Com. Rep. No. 155-02 and S.B. No. 2383, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. 2383, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Magaoay rose to speak in support of the measure and asked that his written remarks be entered in the Journal, and the Chair "so ordered."

Representative Magaoay continued, stating:

"Mr. Speaker, on S.B. 2383, I stand in strong support, and also I would like to add just a note here. This is one of our last EDB bills that we have on the Floor and since my Chair of EDB won't be here on Thursday, I just want to wish her well. She was a very good compliment to me, especially being a freshmen. So I wish her well in the Senate, if she gets elected. Thank you."

Representative Magaoay's written remarks are as follow:

"Mr. Speaker, I rise in support of S.B. 2383, SD 2, HD 2, CD 1. In difficult economic times, people and businesses alike,

curb spending. This dangerous trend will only lead to disaster. As a result, incentives are needed to encourage spending to stimulate the economy. The construction industry is a good place to start. Right now, many businesses cannot afford to make renovations to their property or do not see the benefits of doing so in a development-hostile climate.

"The construction industry generates millions of dollars and hundreds of jobs. This industry serves as a catalyst for development in other areas. I urge members of the House to vote in favor of this measure. It is an important step toward economic development. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2383, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION TO STIMULATE THE ECONOMY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 156-02 and S.B. No. 2985, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2985, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO QUALIFIED IMPROVEMENT TAX CREDIT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 157-02 and H.B. No. 2459, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2459, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATION FOR SOCIAL SECURITY/MEDICARE EXPENSES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 158-02 and H.B. No. 2788, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 2788, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 159-02 and H.B. No. 1245, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1245, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Case rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I've made remarks earlier in the evening on this measure which is the master 'Rainy Day' Fund raid bill. I made them in a previous bill and they still apply. Here is the bottom line. It's not a rainy day. It's not an emergency. It is a failure of prioritization. Every one of these programs deserves to be prioritized, if it meets the prioritization to be funded. But we do not have an emergency.

"I'll tell you what the emergency is going to be. The emergency is next year when we don't have the option anymore, when we've spent \$10 million out of the \$30 million that'll be in the 'Rainy Day' Fund and yet we're facing shortfalls that are much more severe than this year. Maybe then we'll get around to prioritization. This just buys time. This circumvents

the budget process. This is the first time we funded grants-in-aid outside the budget process, straight out of the 'Rainy Day' Fund. We all know that is wrong. We just failed to prioritize. That is what this 'Rainy Day' Fund bill is all about. This is about prioritization, not an emergency. Thank you."

Representative Kahikina to speak in support of the measure, stating:

"I rise in support of this measure and Mr. Speaker, I wholeheartedly support this bill as it provides assistance to many worthy programs that will assist many of Hawaii's residents.

"I would like to however, clarify the intent of the expenditure of the funds appropriated in section 12 of this bill. Section 12 of this bill appropriates \$1,650,000 for program expenses relating to the medically uninsured. The funds appropriated should be used to assist the medically uninsured by: one, expanding eligibility under the State's children health insurance program to 300% of the poverty level guidelines for Hawaii; two, providing matching funds for the de-linking of Medicaid and temporary assistance for needy families; and three, providing funds for the community health centers in the State to provide health care services to the uninsured. Although we don't have a specific breakdown as far as how the \$1.6 million should be broken down among the three purposes, we hope that the Departments of Health and Human Services will use their best judgment in dividing the funds fairly to help as many people as they can with the funds provided.

"And I understand the opposition to this measure, of using the 'Rainy Day' Fund, but for all of these matters that we mentioned, and for the purpose of providing for people who really need the help, I ask for their support. Thank you."

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I stand in strong support.

"I would have to disagree with the speaker from Manoa. I think that this is a prioritization and I think most of these measures that were proposed to be funded by the 'Rainy Day' Fund have to do with some important health measures. Some measures that fund programs for young children. Admittedly though, this is also a way perhaps of helping some of the Senators 'save face' because these programs were also part of our proposal to fund them by borrowing from the Hawaii Hurricane Relief Fund. So this allowed I think, the Senate to probably fund some of those programs without tapping into those funds.

"The one thing I did want to mention though is that during our Special Session, we did take quite a bit out of the Tobacco Trust Fund. And I think that one of the purposes of the tobacco settlement and the trust fund that was created was to make sure that we do everything we can to prevent our young people from smoking. And for those who did take up smoking, to have them stop. So I am really pleased that we were able to restore some of the funding in terms of tobacco cessation and prevention that were taken out because we wanted to fund the medical school. I think this should be a focus of the trust fund and of the 'Rainy Day' Fund.

"But I really think it is a 'rainy day' because of the budget shortfall that we are facing. I think there is a lot of justification to use part of the funds at least, to save some of the safety net programs and to fund some of the important prevention programs and health programs. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1245, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 47 ayes to 4 noes, and with Representatives Case, Djou, Gomes and Rath voting no.

Conf. Com. Rep. No. 160-02 and H.B. No. 2827, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2827, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I have repeatedly complained about the use of special funds and the creation of too many of these special funds. I was elated that the Auditor recently came out with a report highly critical of the number of special funds that we have in our State and encouraging a number of these special funds to be shut down. This bill I think originally started off with that in mind and using the Auditor's report as a good template for where we should be going.

"Instead what we have now coming out of Conference, I believe, has only a very tangential relationship to that Auditor's report. One of the most objectionable features I find contained in this particular measure is that it does not actually shut down and close and finally end many of these special funds. Instead what this is, it's just nothing more than a 'cash grab.' It is going in and raiding these special funds, draining them in a one-time shot effort to try and cover our budget deficit.

"If we want to get to some real prioritization, which has been talked about many times here in this Chamber this evening, if we want to talk about tight fiscal controls, we need to be shutting down these special funds and not continually using them as a 'kitty' to raid whenever we run into financial problems. For these reasons, I am in opposition to this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2827, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FINANCES," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Case, Djou, Fox, Gomes, Jaffe, Ontai, Rath and Whalen voting no.

Conf. Com. Rep. No. 161-02 and H.B. No. 2834, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 2834, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Thielen rose and stated:

"Thank you, Mr. Speaker. I just have a question for the Chair of Consumer Protection. I think the title or description is incorrect in that it says the bill establishes an advisory commission. I thought that advisory commission was taken out of the bill. This is the Hawaii Prescription Program, No. 161."

At 9:40 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:41 o'clock p.m.

Representative Thielen continued, stating:

"Thank you, Mr. Speaker. Yes, I was correct. The description on the bill is incorrect, in that the bill does not establish an advisory commission. Thank you."

Representative Fox rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. There are basically two states that are trying to force drug companies to supply drugs to the states at low prices. One is Maine and our bill here is modeled on the Maine bill. What you have in Maine is a very severe court challenge that is working its way through the court system. We could wait until that matter is settled, but we decided to take an issue to the voters in November before it is sorted out in court.

"The other different system is the one in Michigan that has certain parallels to the one in Hawaii. In the case of Michigan, which is a very large state and one in which drug companies certainly want to have access to programs run by the state government. Several major drug companies have chosen not to be involved, thus forfeiting all the sales that they would get under the program rather than participate in a state-run program. So that also is not a very salutary example.

"I believe that drug companies are treated here as if they are uncooperative, unhelpful corporations that gouge the public. It is well-known that there are big disparities in drug prices. It's also true that America has the most competitive, outstanding drug industry in the whole world. We are breaking through year after year with major discoveries that make people's lives better. We want to spread that good health to as many people as possible. And it seems to me that the way you do that is to work cooperatively with the drug companies and the efforts that are already under way to provide drugs at low cost to people that need to get them at low cost. I don't think that it's necessary to essentially engage in massive litigation battles with very large drug companies.

"I think the better way to do it is to work cooperatively with them. I hope that the federal government will help in this area. I wish the State of Hawaii would follow the same direction. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure, and asked that his written remarks be inserted in the Journal, and the Chair, 'so ordered.'

Representative Souki continued, stating:

"Yes, Mr. Speaker. Thank you very much. I wish to speak in favor of this program.

"First of all, I want to congratulate the Conferees for coming up with I believe, a good bill. There is a little work that needs to be done, but I'll get into that a little bit later.

"I have a sister of mine with a very modest income who spends over \$200 a month on drugs. So something like this certainly would be of great assistance to her, although I think she might be qualifying under the other bill, H.B. 1950, rather than this one here. But thank you very much for that.

"The question that I have is that for some patients, especially those with mental illness and AIDS and cancer, they may not be covered. They may not have the prescriptions and the pills available under this particular plan. So what the State of Oregon has done is to provide an exception, so possibly for next year, you can make an amendment to this bill here.

"It says here that 'Notwithstanding subsection (3) of this section, the department may not limit legend drugs when used

as approved by the federal Food and Drug Administration to treat mental illness, HIV and AIDS, and cancer.'

"So Mr. Speaker, this is the amendment I would like the Chairman of the Committee to include next year. And I would want the rest of this language to be incorporated as part of my remarks. Thank you very much."

Representative Souki's written remarks are as follow:

"The Rx Bill (H.B. 2834, SD 2, CD 1, Relating to Prescription Drugs) has consequences that will impact patients who are on needed medication. The bill (H.B. 2834, SD 2, CD 1) states that if a drug company fails to participate in the voluntary rebate program, all their drugs will be placed on 'prior approval' list. This means the doctor has to get State approval for any prescription he writes. So what does that do? This approval means the patient may be off his drug and mean higher costs and the only alternative is to go to the emergency room.

"I understand the National Alliance for the Mentally Ill have over this past Session tried to obtain an exemption that is listed in ten other states (see attached from Oregon) that would exempt-out the drugs that are used to treat mental illness.

"With the State acting as 'gatekeeper,' the doctor loses control of his 'care plan' and the patient is at risk for unintended consequences. It should be part of the public record that hurting the mentally ill was not the intent of this Legislature. Therefore, we believe that next Session, this Body should put safeguards in place like over ten other states have done to ensure the mentally ill have access to proper medications they need.

"The bottom line is:

- 1)Formularies should provide exemptions for medications used for persons with serious mental illnesses. Brain disorder medications are not 'one size fits all' medications;
- 2)People who are not already on therapeutically effective medications should be able to continue their program; and,
- 3)Anything, such as prior authorizations that complicates the process and is not user friendly would be an impediment to our fragile population who have serious mental illnesses.

"The Committees involved in this bill should address this issue prior to the next Session."

"Oregon Language
Amending ORS 414.325

Section 3. (1) The Department of Human Services shall adopt a Practitioner-managed Prescription Drug Plan for the Oregon Health Plan. The purposes of the plan is to ensure that enrollees of the Oregon Health Plan receive the most effective prescription drug available at the best possible price....

(4) Notwithstanding the Practitioner-managed Prescription Drug Plan adopted by the department, a practitioner may prescribe any drug the practitioner indicates is medically necessary for the enrollee as being the most effective available.

Section 5. (2) ... Prescriptions shall be dispensed in the generic form pursuant to ORS 689.515, 689.854 and 689.857 and pursuant to rules of the Department of Human Services unless the practitioner prescribers otherwise and an exception is granted by the department....

(3) The department shall pay only for drugs in the generic form if the federal Food and Drug Administration has approved a generic version of a particular brand name drug that is chemically identical to the brand name drug according to federal Food and Drug Administration rating standards, unless an exception has been granted by the department....

(5) Notwithstanding subsections (1) to (4) of this section, the department is authorized to:

- (a) Withhold payment for a legend drug when federal financial participation is not available; and
- (b) Require prior authorization of payment for drugs that the department has determined should be limited to those conditions generally recognized as appropriate by the medical profession.

(6) Notwithstanding subsection (3) of this section, the department may not limit legend drugs when used as approved by the federal Food and Drug Administration to treat mental illness, HIV and AIDS, and cancer."

Representative Takumi rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. I rise in favor of the bill. First off, let me address some of the concerns raised by the previous speaker, the Representative from Maui.

"This bill does not preclude us adopting the approach that Oregon has. In fact, if we do decide to exclude certain drugs, those people who are taking those drugs will be in the exact same situation they are in today, paying full retail. But again, the way the bill is worded, it does not preclude the Department from using any type of formulary that they choose.

"In respect to the speaker from Waikiki who said that there is a severe lawsuit. That severe lawsuit is only severe because it is brought on by the pharmaceutical industry themselves. That particular case was litigated against the State of Maine for their program, the Maine Rx Program. The lower court found in favor of the industry. Maine appealed. The First Circuit Court of Appeals ruled in favor of the State of Maine. And the Pharmaceutical Manufacturers of America appealed that to the Supreme Court, where it sits today. The Supreme Court asked the Solicitor General to come up with a recommendation as to whether or not they should take up this case. That recommendation has not come up yet. The current thinking is that the Court will not take it up this calendar, which ends in June. If they do not take it up, Maine will go forward with the Maine Rx Program, because the High Court decides not to take it up. If the Court does take it up and rules in favor of the State of Maine, by passing this bill out tonight we can again start on our version of the Hawaii Rx Program. If by some chance they rule against Maine, then obviously we would come next Session and do something about it. But the argument that we should wait and see what courts will do, to me, is not a legitimate one. Simply because we would be paralyzed because at any given time, on many measures that we engage in, there are lawsuits or the potential for lawsuits, and we should not let that hold us back in developing social policy.

"In answer to, and in response to the Representative from Kahala who raised the concern about why do we need the two bills. This second measure applies to anyone who wants to enter the program. The other bill, H.B. 1950 is only for those who are at 300% and below, of the federal poverty level. And if you don't know what the amounts are, the Representative from Nanakuli still has his poster up there and you can check it out.

"What this bill does is allow anyone in this State without insurance to enter into this program. The State would negotiate with manufacturers to get discounts and pass on that discount to anyone who joins the program.

"People say, some people assert that this is anti-business. I will assert it is a very good business practice. I mean after all, we all know that buying things in bulk, you can get a discount.

"The other concern that people had was that this interferes in the doctor-patient relationship and I say, of course it does not. Anyone is free to join this program. You are free not to join.

"The other concern was raised about the prior authorization point. Again this is much to do about nothing. Any drug plan, whether it is HMSA or Kaiser or so on, or Medicaid for that matter, has a prior authorization scheme and unlike Medicaid, Kaiser and HMSA, does not allow its members to get every single drug manufactured in the United States. They have a formulary that they adopt. So again, this bill is a good first step.

"If people read the bill, the Department of Human Services will put together the program and take into account the outreach, the eligibility, the claims, the administration, the rebate recovery, and the redistribution of this program. They will report to the 2004 Legislature. They will implement this in July 1st of 2004, so it is really a 'go slow' approach, and I think it is a sound approach. Thank you, Mr. Speaker."

Representative Hiraki rose to speak in support of the measure and asked that the remarks of Representative Takumi be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Hiraki continued, stating:

"I would just like to add that this is one of several measures that are designed to provide for fair pricing of essential goods and services. The Hawaii Rx program is a strong response to the un-affordability of prescription drugs. It is based on the most promising and innovative models to come out of any state legislature in the United States. I believe that the time to enact this program is now. So for these reasons, I support H.B. 2834, CD 1. Thank you."

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I would like to speak in favor of the measure. First Mr. Speaker, I'd just like to praise the Chair of Higher Education who has been working on this issue, it seems, like a number of years and who really knows the subject from top to bottom. And who is able to articulate the reasons for the necessity of this bill very, very well and much better than I can.

"Estimates put the number of Hawaii residents who do not have prescription coverage at 19% of the population or nearly 228,000 people. The Hawaii Rx Program is necessary not only because there are 228,000 citizens of our State who do not have any coverage, but also because these uninsured people pay the highest rates for prescription drugs. Large organizations like HMO's, hospitals, and health plans have the clout to insist on discounts for buying in bulk. Individuals do not have this advantage and pay more than bulk buyers do.

"For example, a 1999 study by the Democratic staff of the Government Reform Committee in the U.S. House of Representative found that Hawaii seniors pay 123% more for the five best selling prescriptions than do favored customers. As most of us are aware, Medicare does not yet offer prescription coverage. The study found that the differential between individual purchasers and bulk buyers was as high as 1,500% for other specific prescriptions.

"The Hawaii Rx Program will not solve all our problems with prescription drug prices. It is, however, a partial market

solution to the problem. It uses the power of bulk purchasing to bring drug prices for individuals more in line with those charged to large purchasers. Essentially, it turns the uninsured into bulk purchasers and puts them on a more level playing field with other, large market actors.

"The concern about legal challenges to the problem was already dealt with by Representative Takumi.

"Mr. Speaker, this really is an example of looking at people's problems and proposing real solutions. We cannot wait to address this urgent problem. For many, affordability of prescription drugs is a life and death issue, and for even more it is critical quality of life issue. I urge my colleagues to support this important step forward. Thank you, Mr. Speaker."

Representative Gomes rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am in opposition.

"I doubt highly that this so-called 'bulk purchasing' is going to work and that it will be sufficient to fund this program. It is going to draw on general revenue funds or some other special fund that we are going to have to create to supplement this so-called 'bulk purchasing.' I don't think that the numbers that we have in this State are going to support the kind of discounts that the proponents of this are wishing will occur.

"I think it is going to create yet another bulge in our bureaucracy that has to be supported by the populous that is out of proportion, that is our government, as we speak, is out of proportion to the economy we have.

"And just today Mr. Speaker, we've adopted measures along with this for socialized prescription drugs. Now we'll have socialized gas, socialized health coverage, socialized long-term care, socialized drivers' education, and probably many other things that I can't remember right now, that we passed today. And I don't think these measures bode well for our government. I don't think that bodes well for our economy, and the so-called 'little guy' that these initiatives are supposed to be fighting for. In fact, they are going to crush them and they continue to crush them as we speak. Because all the socialized and regulatory measures that we've adopted, that this Body has adopted over the last several years and decades, hurts that little guy and reduces competition, and it increase prices and chases competition out of the marketplace and reduces jobs.

"But yet the proponents are going to say what we're doing is creating 'fair pricing initiatives of essential goods and services.' Hogwash. The evidence doesn't add up. These are nice 'touchy-feely' things that perhaps might help some. It might look good from the 'ivory tower' that some people sit in, in this building. Most of the proponents of this haven't been outside of this building to earn an income, to earn a wage. Much of their careers have been spent in here and they have no idea what works out there. Talk about 'ivory towers.'

"I am against this bill and all the other ones that we talked about earlier; all these socialized initiatives. It is more based in ideology. It is based on some rhetorical, theological if you will, perspective of how this is all supposed to work. It is ideology over what is real and what is practical. And I am not saying that we've got all the answers either. But this stuff just doesn't work and it's not going to work. It's going to make it worse, not better, despite what we are trying to do. And we all want to do the right thing. We'd all like to take care of our elderly by reducing the high cost of prescription drugs. Everybody that needs it should get it, for a reasonable price. But this is not the way to do it.

"These proposals are all one-sided. They are all from the Majority. None of us from this side really had any meaningful input, negotiation, ideas, at the table to develop these proposals. And I object to that. That is just not the way we ought to be doing this stuff. These are too big, too large, too significant, they have too many repercussions, not just on our society now but on the way people view us from the outside and whether they want to come here to do business here, live here. It has tremendous repercussions on the cost of living in Hawaii. It keeps exacerbating that cost, not diminishing that cost, despite the good intentions. I'll grant you that."

Representative Souki rose to a point of order, stating:

"I believe the good Representative might not be keeping within the line and the content of the bill."

The Chair addressed Representative Gomes, stating:

"Representative Gomes, would you please confine your remarks to the Hawaii Prescription Program.

Representative Gomes continued, stating:

"With all due deference, I am definitely speaking to the underlying merits of this bill because this bill is basically forwarding an ideology that I do not support, and was not a part of drafting, and was not a part of initiating, and was not a part of creating. And that is unfortunate because it was 'steam-rolled' by a Majority approach. It was not a bipartisan approach. That is unfortunate, and regrettable, and I oppose it. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support. I wanted just to take some umbrage I guess, with some of the comments that were previously made. For a member to say that it was not a bipartisan effort, I would want to say that the member did sit on the CPC Committee, and if you look at the vote on the original bill, the member voted with reservations. So being that the member sat in on the original bill, that would have been the opportunity to make some comments and some changes, but I don't think that he did that at that time."

Representative Halford rose to a point of order, stating:

"Would the good Representative please refer to the contents of the bill? Thank you."

The Chair responded, stating:

"Representative Halford, he is making reference to the contents of the bill as far as the voting record where one of our colleagues said this was not a bipartisan endeavor. It was a bipartisan endeavor because member votes were recorded at the public hearing where decision-making did occur. So the Chair will allow Representative Blake Oshiro to continue on."

Representative Halford continued, stating:

"Mr. Speaker, I think the tone of the rebuttal is disparaging to a member and I don't think that they are fitting for this Chamber."

Speaker Say: "Representative Halford, your point is well taken. Time is growing near to the 12:00 deadline that we have, and I think that all of you are tired and exhausted since we've gone for 12 hours on the Session Floor this morning and now this evening. But at this point, please hold your temper.

One thing I have learned is please, all of you at this point, breathe in three times. Okay, Representative Halford."

Representative Halford: "In your spirit of collegiality and having a good decorum here, the current line of speaking is corroding that. It might be good to just to stick with the bill."

Speaker Say: "I recognize that. I believe that tempers will flare up at this point in time because of the 12 hours that all of you have been here on the Floor. And recognizing that I did not rule Representative Gomes out of order with his remarks, which the members of the Majority Caucus feel may have been interpreted as being disparaging. That is why I think Representative Blake Oshiro is now trying to set the record straight. That there was bipartisanship in the bill that we have before this Chamber."

Representative Fox rose to a point of inquiry, stating:

"Could we not draw a distinction between the Representative from Waimanalo's views which were sort of general and applicable to a large group of people and the current speaker's remarks which were very specific and directed at another member of this House?"

The Chair responded, stating:

"Representative Fox, in trying to operate and manage this Chamber, like I've said to all of you, I have been very fair in the remarks that all of you make. And for the Majority members who felt that it was a little disparaging, maybe it was, maybe it was not. But the point of the matter is that Representative Blake Oshiro, and I think maybe the Representative from Aiea should confine his remarks to the measure. But he also can make reference to that part of the record where all of you, all of you of this House had a major role in the development of this particular measure by your participation at the public hearings, by your participation on First Reading, Second Reading, Third Reading and the First Crossover. And that is why I share with all of you that you had a part in the development and in the construction of this particular measure.

"So Representative Blake Oshiro, you may proceed on, but could you really confine your remarks to just the measure and to correct the statement."

Representative B. Oshiro continued, stating:

"I apologize if I stated something out of turn. I was just trying to rebut some of the previous comments.

"But getting to the substance of the bill, I really think it does address what really matters to a lot of people. There is 19% of Hawaii's population, 228,000 residents, who do not have coverage for prescription drugs. When you look at the statistics, what has been cited by I think, the Centers for Medicare and Medicaid Services, they estimate that from 1999, every year the cost of prescription drugs towards healthcare is increasing 12%. And they anticipate that it is going to keep continuing. There is nothing that they see that is going to stop this.

"The problem that we have is when drug companies develop a new drug, what they do is they put it on patent. Then it is on there for 10 years, and for 10 years nobody else can market that drug or use that same kind of formula. So you don't have generics, you don't have these people having the ability to get the same kind of prescription drug through a generic brand. They have to go with the brand name.

"These brand names have the real audacity actually, to use things like the People Magazine. Here I was just flipping through it and they have four advertisements for their drug. And actually two of them are the same drug. They are Nasonex and Allergin and Claritin. You know, they are three drugs that are doing almost the exact same thing for allergies. And yet, you know what happens is the patient, unfortunately, gets drawn in from these drug ads which are very sexy advertisements, and they go in telling their doctor that they want these drugs. And then this is what is the driver. People cannot afford these drugs and they cannot get generics, so that is the real problem we have.

"When you look at the statistics nationally, the drug companies are spending the same amount on research and development as they are spending on advertising and marketing at 14%. That is 14% of the money is going to towards advertising and marketing. Here they are trying to say that, 'You can't regulate us because what you going to be doing is interfering on our ability to develop new drugs.' You know what? They are not doing that. They are really pouring their resources into advertising and marketing. And when you also realize that a lot of these drug companies get subsidized by the federal government to do their research and development, it becomes even more uncertain.

"I think this really is a big public issue. We have a lot of people who are choosing to pay for rent and food, and they can't afford their prescription drugs. They really have to make some choices and unfortunately some of them make the choice of not taking the drugs, or they take half of the drugs and it loses it's efficacy if you don't take the proper prescription amount. And that is the kind of dilemma that people out there are really facing.

"This is a significant problem and for us not to do anything or to wait, I think, as one of the previous speaker said, we can't afford to do that. We need to take action now because this is a very, very pressing issue and that is why I am in strong support of this. Thank you."

Representative Moses rose a point of inquiry, stating:

"I just rise with a point of information. I am actually asking a question, a point of inquiry. Would the Chair of EDB explain to me what percentage we spend on tourism promotion, which is advertising for the State? I am trying to get a feeling for this bill and I don't know if it is 14% I heard, if it is good or bad."

The Chair addressed Representative Moses, stating:

"Representative Moses, will you restate your inquiry because you said, 'EDB.'"

Representative Moses responded, stating:

"Will one of the Chairs explain to me how much we spend..."

At 10:06 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:08 o'clock p.m.

Representative Moses continued, stating:

"Thank you, Mr. Speaker. What I am trying to ascertain is how much does this State spend on advertisement and how much does this State spend on research, because spending the same amount is no good."

Representative M. Oshiro rose to a point of order, stating:

"Is the member rising in support of the measure?"

Representative Moses responded, stating:

"That is what I am trying to determine."

The Chair addressed Representative Moses, stating:

"Representative Moses, on your rise to a point of inquiry. As the Speaker of this House in response to your question, I don't know the total amount at this point for marketing the State of Hawaii. I know that they do have \$61 million from the Hawaii Tourism Authority and out of that \$61 million, it is broken down by counties, etc., and also the Hawaii Visitors and Convention Bureau contracts. So at this point, when you say marketing and advertising, on the macro level, it would be \$61 million to the Hawaii Tourism Authority."

Representative Moses responded, stating:

"Thank you, Mr. Speaker. Thank you for the clarification and the second part of it is how much do we spend on research?"

Speaker Say: "Research? I don't have the answer in front of me at this point."

Representative Moses: "Because I am trying to determine if this problem exists here. If it exists everywhere. I don't know. I don't know what amount is spent on research versus advertising."

"A second question is that I heard about there being 280,000 uninsured without pharmaceutical insurance?"

Speaker Say: "I believe Representative Marilyn Lee would have that answer. Representative Lee, would you like to yield to that question?"

At 10:10 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:10 o'clock p.m.

Representative Moses continued, stating:

"Thank you, Mr. Speaker. I understand it is 19% and 283,000. My question then, is how many of those people don't have coverage because they are part-time employees of the State and they are not paid for 20 hours and have full medical coverage?"

The Chair responded, stating:

"At this point, my answer to you would be that I really don't know."

Representative Moses continued, stating:

"I don't think that anybody in this State knows. But the point is we employ people part-time, so they don't get medical coverage. So maybe we're contributing to the problem."

Representative Yoshinaga rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Yoshinaga's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of House Bill No. 2834, SD 2, CD 1.

"Mr. Speaker, H.B. 2834, SD 2, CD 1 would create the Hawaii Rx program to reduce prescription drug costs for all State residents who choose to participate. There is a need in this State for such a program. A constituent who is retired told me that he is paying \$200 a month for drugs because he has no drug insurance. There are far too many Hawaii residents like him who cannot afford to buy the medicines they so desperately need. Many are forced to choose between paying for medicine and basic necessities such as food and shelter, while others choose to undermedicate themselves to make their medicines last longer at the further expense of their health. This is not only a statewide problem, but also a national problem that burdens the elderly, as well as, a growing number of younger adults with disabling or terminal illnesses who lack the necessary drug insurance.

"At this time, there is no State or federal program to address the problem of drug affordability for most of the uninsured. In the State of Hawaii, it is estimated that 228,000 residents lack drug coverage. I urge this Body to support this much needed measure that would lead the nation and prove to the rest of the states that such a program is socially and economically feasible and that the state of Hawaii truly cares for its *kamaainas*.

"Mr. Speaker, thank you for this opportunity to speak in support of H.B. 2834, SD 2, CD 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2834, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Auwae, Bukoski, Djou, Fox, Gomes, Jaffe, Marumoto and Moses voting no.

The Chair directed the Clerk to note that S.B. No. 3018, SD 1, HD 1, CD 1; S.B. No. 2036, SD 1, HD 2, CD 1; S.B. No. 2383, SD 2, HD 2, CD 1; S.B. No. 2985, SD 2, HD 2, CD 1; H.B. No. 2459, SD 2, CD 1; H.B. No. 2788, SD 1, CD 1; H.B. No. 1245, HD 1, SD 1, CD 1; H.B. No. 2827, HD 1, SD 2, CD 1; and H.B. No. 2834, SD 2, CD 1; passed Final Reading at 10:13 o'clock p.m.

Conf. Com. Rep. No. 162-02 and H.B. No. 1761, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. 1761, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Hiraki rose to speak in support of the measure, stating:

"Mr. Speaker, this is another measure introduced on behalf of the public, who asks this Legislature to fight for fair pricing. Fair pricing of essential goods and services. This measure, Mr. Speaker, H.B. 1761, allows on a three-year trial basis, the DCCA to oversee health insurance rates to ensure their rates are not excessive or discriminatory.

"This measure also requires that managed care plans with reserves exceeding 50% of annual healthcare expenditures to return the excess to enrollees.

"This bill also includes language from the Hawaii Medical Association to ensure that doctor's reimbursement rates are not adversely affected.

"Let me begin by saying that most of us here have great faith in the free competitive market, because a free competitive marketplace efficiently allocates goods and services thereby improving the welfare of the people. In such a vibrant, healthy environment government's role must be limited. However I draw an exception and that is in markets where there is little or no competition. I believe then it becomes incumbent upon this legislative Body to serve as 'watchdog' to protect against companies using their unchallenged status to unreasonably dictate prices, terms and conditions.

"Several years ago, this bill would not have been necessary. At that time, health premiums were stable because there were other health plans in the market. But what we have seen recently is Straub, Queen's, PGMA, and Kapiolani Health all forced out of the health insurance market, leaving only one major PPO plan controlling about 90% of the fee-for-service market. Since these now defunct companies left the marketplace, what we seen is a dramatic rise in premiums, especially for small businesses.

"This is an example. On the average, on the average, over the last two years premiums for small businesses have risen close to 20% and I find that very alarming. Specific examples of how businesses have been hit are as follows. Castle and Cooke Resorts, 34% increase. Hyatt Regency Maui, 33% increase. Westin Maui, 23% increase. And Molokai Ranch, 17% increase. And during this same time where these premiums are rising, and people and companies are getting these notices of increased premiums, the dominant health plan profits for the year 2001 tripled, tripled Mr. Speaker, over the year 2000. It would seem that in this kind of environment that the evidence would support that premiums should be stable or at least coming down, not going up.

"So to those businesses, I ask my colleagues: is that fair? And you know, the answer that I can give is, 'I don't know,' because I just don't know how these rates are calculated. There is not a process to allow us to understand how these rates are calculated. But I do know Mr. Speaker, that if we allow this trend to continue, the businesses that form the backbone of our economy will be forced to close-shop forever.

"What is being proposed in the bill should not be alarming because according to the Insurance Commissioner, 48 states in the nation allow for some form of rate oversight. What is alarming is that we are one of only two states that don't have any rate oversight. And yet we are the only state in the country that has a health insurance market dominated by just one health insurance plan.

"Members, the concept of rate oversight as set forth in this bill is nothing new. We provided basically the same authority to the DCCA for worker's compensation insurance in 1995, automobile insurance in 1997, and homeowner's insurance in 1998. And despite the claims of opponents, the 'sky didn't fall down.' Instead, we saw average premium reductions of 40%, 35% and 25% respectively. And these savings were refunded directly back into the pocketbooks of our people.

"Simply put Mr. Speaker, for the opponents of the bill, if there is nothing to hide, there is really nothing to fear by this measure. This bill is about premium disclosure and not rate regulation. Without this bill we would never have any information to know if rates charged are fair.

"Mr. Speaker, I will close by saying that I humbly ask the members of this Body to please support this measure, on behalf of the people of this State who deserve fair pricing of these services and these goods. Thank you."

Representative Halford rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am disappointed that we're in this situation voting on this bill that has been crafted as it has, because in fact Mr. Speaker, there is a problem that needs solving.

"This bill contains some good elements. The issue of full disclosure, of transparency as to what's going on with the rate structure and cost, etc. It is important that we know that and that is included in this bill. But what is the mistake is for us to take the approach of controlling prices in a centralized or government fixed-price approach.

"Mr. Speaker, we are in this problem which some refer to as a problem that comes with a monopoly, and have generally referred to the major health insurance company as being in a monopolistic situation. And I think that there are some similarities. But Mr. Speaker, we have created that situation. Our State government, the political leadership of the State of Hawaii, has created this situation that we're in right now with HMSA. We have first of all, provided a 4% price break because we do not tax general excise tax on a mutual benefit society, and that is a competitive advantage to for-profit companies. There are many, many companies that trade in health insurance, but we have given pricing advantage, which has helped to confine the marketplace here.

"In addition, and I don't believe that is the only thing that has caused this situation. In addition Mr. Speaker, that we in government over the past decades have created hundreds of statute references, rules and regulations, promulgated through the Insurance Commission that have all in [composity] led to the insurance marketplace we have in Hawaii today, the generally uncompetitive insurance marketplace today. The solution Mr. Speaker, is for us to look for overall policies that encourage competition, not discourage it as we have done, as the political leadership of the State of Hawaii has chosen to do, over the last couple of decades.

"So Mr. Speaker, I would like to address the problems that are obvious, that we all want to solve. I just cannot go with this government price-control system. Mr. Speaker, I want to point out that in comparison, an electric utility or a telephone utility is in fact, a natural monopoly, and in that case, it is okay to set up a whole system, to have the best form of business and in those cases, a monopoly is the best form and then regulate the prices. But in fact Mr. Speaker, with health insurance, it is naturally a competitive business. It is not a natural monopoly. We are only approaching that in Hawaii, approaching the appearance of monopoly in health insurance in Hawaii because of how we have regulated, changed and distorted the marketplace. The solution Mr. Speaker, is for us to look at how we confine, restrict and regulate the marketplace, rather than take a Marxist approach with centralized pricing controls. Thank you."

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Quite frequently here in Hawaii, we often have problems in our economy, limitations on competition. I believe it is because we have big government, high taxes, and high regulation. I believe in this particular instance, the provocation of healthcare insurance, these are the exact problems of why we have, why we are here with this particular measure.

"The high regulations come in the form of our Prepaid Healthcare Act, which is stifling a number of entrepreneurs and small businesses. It is regulatory scheme limiting the amount

of entrance into this particular market. Plus we have high taxes, as the Representative from Maui has already correctly pointed out. We are one of the few states in the nation that taxes medical services. But we exempt the taxation of mutual benefit societies and non-profit corporations, and we are now because of high regulation and high taxes, left with only two competitors here in this market for healthcare insurance. But rather than looking to try to fix this by reducing the amount of regulation and reducing taxes, we are going in the opposite direction. This particular measure is going to increase the amount of regulation in the healthcare industry.

"Mr. Speaker, I believe that over-regulation got us into the problem in the first place. More regulation is not going to get us out of it. Instead, what we should be doing is eliminating the general excise tax on all health insurance carriers to invite more competition into this market. We should be looking at reforming the Prepaid Healthcare Act. But what we should not be doing is creating this monstrosity with this healthcare insurance rate regulation bill. Thank you, Mr. Speaker."

Representative Fox rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. You know, I'd like to share with you the thoughts of Roger Drue. I think it is important because he is the President of Pacific Health, the parent company of Kapiolani Health, Straub, and Wilcox Health Systems. This basically is an outfit that is put together to try to help these three institutions survive. They've really got their 'backs up against the wall,' so what he says about what this proposal will do is of some significance.

"First he points out a simple truth and that is the public's need and demand for healthcare is more than what we want to pay for that care. I know it is nice to come up with what we think is a simple answer, but this is an extremely complex problem and there probably aren't any simple answers. But one answer that Roger Drue is certain is not the right one is rate regulation. It is not an appropriate solution, he says.

"Rate regulation will not work because the health plan's role is the 'middleman.' Health plans will simply adjust reimbursement to hospitals and physicians based on the limitations imposed by the State Insurance Division. The impact of rate regulation will fall hardest on hospitals and doctors. We cannot afford to have this happen. The healthcare delivery system, your medical care, will be jeopardized if rate regulation is implemented. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes thank you, Mr. Speaker. I wish to speak with some very strong reservations. At one time I was thinking of voting against it, but I believe that maybe with the time element, some changes can be made.

"First of all, one of the concerns that I have is in the ability of the Commissioner, with the current staff that he has, to analyze all of the information that the HMSA has, in a timely fashion, and to come up with a decision to deny or to approve. At this moment, if I can venture to guess, if he doesn't add any additional staff, he does not have the capability to do it. Even though he says that he can, I doubt it.

"Also my other consideration is that as some of the other speakers have alluded to, health systems are very complex. Critical care treatment that we all want is expensive treatment, and this all adds to the medical costs. People are living longer. Demographics have been mentioned before. People are living longer as they get older, and they become more reliant on

medical care. As they age they need more medicine, and there is nothing we can do about that. Rate regulation is not going to control that. We are trying to take some action on prescription drugs that is continuing to increase. We are all looking for that 'miracle drug' that is going to make us live longer, be younger, increase whatever we lack. All these things are expensive: research, etc. It goes all into this health plan. So its very simplistic to really believe that in regulating a health plan you are going to come out with the rates that are going to be competitive.

"Another thing is, I also got quite nervous when I heard some of the proponents speaking and saying that if we can regulate this, maybe we can increase the price of the premiums and therefore get more competition. It makes no sense. Not when we have one of the lowest rates in the nation. And there is all kinds of denial as far as the rates. It is not really the lowest. There are 15 states that are lower than ours. But what information I have is saying that our rates are relatively lower than most of the states in the nation with health plans, with other health plans that we have here. So for all of these reasons, I am very worried that we might be jumping in this a little too soon.

"I am sure that there is reason to do it. In a few months from now, we will all be running for office, but I don't know if this is the right thing to do. I believe more than anything else, what we should do is review this; sit down and disclose. I believe this was what I asked the Caucus to do, to just look at the disclosure. And I think there were others in the Caucus who were feeling the same way. I think this goes one step beyond disclosure and it goes now to the 'regulation of rates'. Mr. Speaker, I hope that between now and next year when the start-up begins, we can begin to have some second thoughts about this. Is this the right thing to do? Thank you very much, Mr. Speaker."

Representative Case rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support.

"I think in my eight years in the Legislature as anything but a traditional, liberal Democrat, I've earned the right to say that I don't think regulation is generally the right way to go, and that we have too much regulation in this State. But there is a zone, a zone of regulation in Hawaii that is increasingly developing, where key components, key components, of our private sector are in fact controlled highly by single players, by monopolies, by duopolies, whatever you want to call it. Unfortunately for all of us, this is what is happening in Hawaii, and somebody termed or called this 'Hawaii-opolies', in some areas. Gas is one of them, healthcare is another, and there are others.

"We are in a situation now where we do not have a competitive market. And I don't think that we can foresee that the market itself will create a competitive market. We've come to this place for a reason, and when we get to that situation, I believe that we in this Legislature, on behalf of the people, have a basic choice to make. Are we going to do something about it or aren't we? Are we going to sit back and allow the noncompetitive market to basically operate without any intervention, in which case it will not self-correct? In any case, I don't believe that it is going to happen in this industry. I don't believe that it is going to happen in the gas industry. Or are we going to step in and provide some reasonable protection?

"That is all we are talking about, protection of our people. And I believe that this is the case here, where we have developed an essential duopoly over a long period of time. We have the choice. It is a good choice to make. It is a good

public policy choice to make and that is why I am voting for this bill.

"Now I think this is about as innocuous a form of regulation, and I've crossed the bridge of regulation, so let's get that clear. If you don't believe in regulation under any circumstances, then don't vote for the bill. If you believe that regulation is necessary, then this is about as low-keyed as you are going to get. Disclosure, yes. But beyond that, a simple ability on the Insurance Commissioner's part to say no on a short time fuse.

"So those that say that this is going to 'bog down' insurance rate-making, that's wrong. That is a mischaracterization of the bill. The Insurance Commissioner has 45 days after a complete filing to say no. If he doesn't say no, it's a yes. He gets to extend for 15 days, but then it's an absolute self-effectuating mechanism. The companies can come in and ask for the rate filing to be effective immediately, he can do that. We are giving the Insurance Commissioner the right to say no. I would hazard a guess that the Insurance Commissioner is going to say no a very low percentage of the time when these rate filings are made.

"But I think as another public policy that our government, on behalf of all the people in an un-competitive marketplace, should be able to say no in cases that clearly warrant it, and that's what this bill does. It's simple, it's straightforward. We don't have to wait to study it. It is sitting here right in front of us; we know what the situation is.

"Now one of the things that has bothered me greatly watching this debate have been some of the mischaracterizations. Unfortunately, the opponents of this bill have crossed the line from good public policy disagreement almost to a series of desperate acts where essentially they are stretching the truth. And I think that when I see that happen, as a member of this House, on this Floor, I start to suspect that maybe my instincts were right, and I think that is true here.

"I am just going to refer to HMSA right now, and a letter that I got from them, we all got from them just recently, with some 'bullet points.'

"This is the same onerous, unprecedented regulation bill introduce in the beginning of the Session.' No, its not; it has been substantially modified. I introduced that bill at the beginning of this Session along with others. It has been modified. It is much less onerous, if you want to put it that way, than what we started out with. This is a much different bill. We have tried our level best to take care of legitimate concerns. We put a sunset date in. We put a shorter deadline in. We took care of providers. This isn't the same bill.

"No other state in the country has rate regulation laws to give a state official unilateral authority to set and control health plan rates.' It's a stretch. There are 48 states that regulate. Only two states don't.

"Using investment income to subsidized health premiums does not occur any where else in the U.S."

Representative M. Oshiro rose to yield his time, and the Chair "so ordered," stating:

"Please proceed, Representative Metcalf. I'm sorry, Representative Case. Please accept my apologies and continue on."

Representative Case responded and continued, stating:

"Thank you, Mr. Speaker. I don't aspire to that job.

"That may or not be.

"Using investment income to subsidize health premiums does not occur anywhere else in the U.S.' Frankly, I haven't had the time to check that out. But if that is true, it doesn't influence what I think. I think it is a fair public policy call to require that investment income on reserves, and by the way, we have a very mellow provision in terms of how much reserves can be retained, I think that it is reasonable to ask that some of the investment income off of those reserves be 'kicked back' to supporting premiums. What is wrong with that? The reserves are high. Why not have the investment come back to take care of the premiums?

"The bill will increase bureaucracy in Hawaii.' Truly, not accurate. The Insurance Commissioner testified that he did not need any further resources and no further staff with, as I recall, the exception of one person to do this. And that is a reflection of what the bill says. It just gives them a shot to say no or to modify. That is why most of these things are going to go forward, as a practical matter. The focus is going to be on ones that clearly appear to need a little bit of attention.

"The bill will not lower healthcare costs. It does nothing to address fundamental cost drivers.' There is some truth in that. Yes, it is correct. But we have cost drivers that go well beyond this bill. Prescription drug costs, mandated health benefits, those are all true, but that does not mean that we don't step in and solve this problem where we can. That doesn't mean that we turn away from a clear solution. It is all part of one big 'ball of wax' and we are just taking one part of that right now. Sure, we should have taken more of it earlier. I voted in favor of reforms in the Prepaid Healthcare Act. I think that is the next piece of unfinished business, but that doesn't mean that we turn away from this one.

"Hawaii's health plan rates are among the lowest in the country.' The implication there being we are doing a good job. You know what, HMSA? I think you probably are doing a pretty good job, but health plan rates in this State are not the lowest in the country because of that. They are the lowest in the country because we subsidize across a much broader portion of our population through the Prepaid Healthcare Act and we still retain a pretty healthy population. So don't tell me that this is not necessary just because the rates are the lowest. Maybe they can be lower. After all, we should get the benefit if they're lower if we are operating a subsidized system across a broad population and we're healthy. Why shouldn't they be even lower than that?

"This bill will destroy competition in Hawaii's healthcare market.' What competition? There is no competition. That is why we are standing here today. There is no competition. Can we reasonably expect that there will be competition in this market? I don't believe so. I don't think this market is going to take care of that. It is going the other direction.

"And finally, 'Employers, physicians, hospitals and health plans oppose this bill.' That is not true, is it? Yes, some in each of those categories. Health plans certainly oppose it. They don't want to be regulated. They want to go on the way it is, so I don't think we are going to find any health plans that support this.

"Hospitals, I really don't know, but I wouldn't be surprised if most hospitals want to stay with the current system. I think they are vested in it.

"Physicians. Physicians clearly do support this bill. They are split. We all got a lot of letters from physicians saying, 'Put this into effect. We don't think the system is working the way that it is. We need rate regulation.' I've had many letters from

physicians calling in the last couple of days. So don't pretend that this is across-the-board with the physician community. It is not. Those that tend to be more tied into the HMSA system, they tend to be opposed to this bill. You can ask yourself why. Is it like the situation with the oil prices? Is it basically the fear of departing from the 'party line'? I think there is some of that going on.

"And, 'employers finally oppose H.B. 1761.' I don't think that is right. I think employers view this as a problem, especially small businesses. Yes some employers do. The Business Roundtable opposes this, the very top companies of which HMSA is a member. Frankly in eight years, sometimes I've seen some cozy relationships coming out of the Business Roundtable discussions, lots of times, maintaining regulation that is helpful to one of their members. This time it is opposing regulations. So I don't put any credence there. But you go into the Chamber of Commerce right now. You ask them, you ask the members, what do they think about this? They'll tell you healthcare regulation is okay with them.

"You know, this is economic revitalization. It can be economic revitalization. If we're taking money that is being generated in the business community, and too much of that money..."

Representative Schatz rose to yield his time and the Chair "so ordered."

Representative Case continued, stating:

"Is being diverted into one particular industry, that is not good for economic revitalization. If we send a \$100 million out of this State every year to the mainland with the oil companies, that is not good for our economic revitalization. If we send more money than we should be sending to the healthcare industry, that is not good for economic revitalization. This can be, and I believe is necessary for, broad-based economic revitalization. And I think we should proceed with it right now and I ask my colleagues to do the right thing on this. Let's proceed with something that is obviously broken and that we have the power to fix tonight. Thank you."

Representative Yonamine rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I speak in strong support of the bill, but I don't know what to say after Representative Case. I do wish to thank Chair Hiraki and the Conferees, Representatives Arakaki and Takamine, and the respective Committees for shepherding the bill to where it is today. Chair Hiraki made a commitment right before Special Session that he was going to review and look at the regulation of the health insurance industry, and to his credit, he has done that and much to our satisfaction.

"Now, if HMSA for example, if all they did was take in the premium and did the reimbursement in accordance with a mutual benefit society, the non-profit organization then everything would be fine. But what do we find? Let's go back to regulations. Is that what we're hearing? Well regulation is a way of life in the United States and Hawaii because we are all imperfect beings. Look at the reforms we have made as Chair Hiraki was mentioning. The worker's compensation insurance reform, the auto insurance reform, homeowner's property insurance, the utilities, long before 1990 and the DCCA. Why is the licensing regulatory division so large? Because every business, every profession, every trade, and others have come in to regulate themselves. These bills to regulate come from within their own groups, where they know they cannot regulate themselves. So they always seek ways to have that regulated,

either more stringent, but certainly to enforce that. So this regulation is really not the issue at all.

"The problem with lack of regulation is that health insurance, and as the previous speaker has pointed out, rate filing, all we want to know is whether those rates, the premiums that are available to the people, if they are fair, excessive or appropriate. That is what it means. It doesn't mean that the rates are going to go up. Experts have said, and the Insurance Commissioner has said or others have not said. If you want competition, you raise the rates in order for other companies or corporations to get into the field, and even not-for-profit organization from the mainland to come in if they feel that the market is large enough. There was a statement made. Not that rate filing would automatically be pushed up in order to bring in more competition. But anyway, that point aside.

"I just wanted to say that there are things like investment earnings that HMSA has. We have earnings coming out of for-profit subsidiaries. All we want to know as part of the rate filing in the records that are being disclosed. That needs to be disclosed in their rate filing. Where does the money go? How is that being used? Is that used as a supplement to the premiums that are being assessed to the members? Or are they being used for other purposes? And if you know how diverse they are, this is the third largest corporation in Hawaii. And you might wonder, where does that money go? What it does, the rate filing do? It just brings honesty. Not only to HMSA, to Kaiser, but others we may have where we are reaching to hospitals because this HMSA can effect the hospital fees, and they have. And if you know about Queen's and Kapiolani, there were cases last year where they went out of business trying to compete in the health insurance industry. You know that prices can be raised or decreased in the absence of rate filing, and that is the point we all need to remember.

"We're talking about consumers, people like me and you everyone else in Hawaii. They need to know whether the rates are fair. If the rates are appropriate. Or are they excessive? And like all of the other reforms, if that is the case, with justification, the Insurance Commissioner can then lower or increase rates as he has done over the past six or seven years that I remember.

"So colleagues, all we're asking for is that we take a look at the health insurance industry and just insure our people and protect our people from any excessive rates, if that should occur and in the long run. The more information you have about the health insurance industry, I think the better we'll profit from it. Thank you."

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. This session has been one for regulating just about everything and this is the last one for tonight. Regulating the rates of healthcare.

"It was mentioned by one of our colleagues here that our healthcare cost are highly subsidized because of our Prepaid Healthcare. They're not subsidized by government, they are subsidized by small businesses who have been saddled with the lion's share of the cost of premiums. I worry about this bill because, one, it is one more thing that government is regulating. We're sending another message to the other states that this is a highly regulated society here and getting more regulated everyday. We had somebody come talk to us from the HMA and we did ask them questions because some of us have gotten letters from doctors. I must say that I have only gotten three that are keen on this regulation that we have before us. But we were assured that the majority of doctors are not in favor of this bill.

"I have the article here by Roger Drue who has been involved with the Kapiolani Healthcare over time and now they have merged, Kapiolani, Straub and Wilcox and he says the short-term reason for our merger was very simple. It was a matter of survival for all three organizations. These are competitors of HMSA and they, as he's acknowledging, they are barely holding on.

"One thing I've noticed in this Body over the years is we are not willing to acknowledge our part in being responsible for creating less competition in many areas. Divorcement bills that we passed year after year on the gasoline business are a very large part and parcel to the problem that we have with the gasoline distribution. As far as healthcare goes, every year we pass new mandates saying that this type of care, this new service, any good idea that we have, we say this must be covered by healthcare premiums. As you ask for more utilization, the price of healthcare goes up. We were concerned about small businesses. I mean, it's sort of a mixed bag. Some businesses think that this is good, that this will help us. Others are not. I am convinced that it will not help businesses.

"Having this rate regulation will create more bureaucracy, which costs money. In the bill it calls for a \$50 charge for each filing rate. HMSA has over 16,000 different groups. Each one of those groups, when they go in for a new rate, they'll have to file it. That is \$50 times whatever the number of groups there are. But it is over 16,000. That cost will have to be borne by the people that pay the premiums.

"The other thing is we've given the Insurance Commissioner, who is sitting there like 'the Czar' of healthcare, and he has the veto power. You know, these people can come in and show all the paper work, how it is that they've arrived at this rate, and he can arbitrarily turn them down if he thinks it is too much. Or if he doesn't think they should have gone up over last year. If rates are artificially held down because of the Insurance Commissioner, the insurers will simply have to cut the benefits because if the rate doesn't cover the actual cost of healthcare, then something has to give. I think we are getting into an area where we don't have the expertise.

"I would have been all in favor of a bill that would have had full disclosure, but not this bill that gives the Insurance Commissioner the veto and the overall power to dictate what rates should be in Hawaii. Thank you, Mr. Speaker."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am rising to speak against the bill, but with reservations, Mr. Speaker. The flip side of being for a measure, but with grave reservations. I am not going to do that. I am going to speak against it, but I have grave reservations about not voting for the bill.

"Mr. Speaker my concern is that I haven't seen our State government step in and take over an area and do a job that's cost effective or professional. I just don't think we have a very good track record on managing things better. I mean, it can range from trying to put playground equipment on our school grounds where they still haven't completed the first 35 schools in three years. That is about how effective our State government is. A pretty pathetic level. To anoint Wayne Metcalf 'the Czar' of healthcare insurance frightens me. I don't think he has the background, experience, or anything other than maybe being able to step into the power of being 'the Czar', but 'the beef' isn't there. I don't think we would be in a good situation.

"I talked with a lot of people about this bill, on both sides of the issues. I've received a lot of letters from physicians that are in support of it and then one medical group, Neighbor Island Medical, that is very definitely not in support of the bill, Mr. Speaker. But the basic question came back. Since when has the government stepped in and done something cost effectively and better? And that is what brings me back to reluctantly voting no on this.

"I am not a lover of HMSA, Mr. Speaker. One of my sons with his wife and two children, one of whom who could have gone off the plan, but they said it doesn't matter. His insurance rates for well over two years were \$960 a month. That is just punitive, and he was saying, 'I can't afford it. I am going to have go without insurance.' And I am sitting there saying, 'You can't go without insurance. You've got a family. You just can't do that.' There was no way around it because the people that are just shafted by HMSA are the ones that are the small independent business people, and they get no relief from that company. He was ultimately able to go with another provider and the rates are now like \$600 and some odd dollars, which still is a hefty amount of money.

"Even in this morning's paper Mr. Speaker, there was a very short letter to the editor and I quote from it. 'As a small business owner, I send lots of money to Kaiser and HMSA every year and feel I get my money's worth. I send even more money to the State and don't always feel I am getting a very good deal. Maybe having the Kaiser or HMSA guys oversee our State government would be a better idea than the current one moving in the State Legislature.'

"I just haven't seen us do a better job than the private sector. And I just cannot in good conscience anoint Wayne Metcalf as 'the Czar' of health insurance."

Representative Takumi rose to a point of order, stating:

"The current speaker is addressing the Insurance Commissioner by name. This bill takes effect on January 1, 2003, at which time the current Insurance Commissioner may or may not be the Insurance Commissioner. Thank you."

Representative Pendleton rose to speak in support, stating:

"Mr. Speaker, I rise in support of this measure.

"Mr. Speaker, I generally believe in the free-market where you have multiple parties competing with each other for the money from consumers. Offering better services, or the same services for less, I believe that is the system that is ideal. That is what you want, to have a real free market, where competition rules and the best product and services win. They're the ones that capture the larger market share.

"Unfortunately, I think in our State, I am not going to mention any names, but I think in our State we have something to be desired when it comes to competition and multiple players in this particular field. I am not going to say that anybody is the bad guy. That just kind of happens. But I think that when you have a market failure like you have here, it warrants government intervention. Now we can all argue about the extent to which government should intervene, but I think this bill makes an honest and sincere attempt to try to strike the right balance.

"Before I continue any further, I'd like to incorporate the remarks of the Representative from Manoa as though they were my own.

"I think that this is a situation where it merits careful and thoughtful government intervention. I think to do nothing is to

'rubber stamp' the status quo, which I think is unacceptable. At least this way, we can see what might happen.

"What this bill does is establish a prior approval system. You have the proposed rates. They go to the Insurance Commissioner who I will leave unnamed and they will be subject to a 90-day period, during which the Insurance Commissioner's office reviews these filings. They can be approved or disapproved for a number of things provided in this bill, one of which is an excessive or unfair discriminatory rate. This is not unprecedented. I think this bill is akin to the way motor vehicle work comp is regulated in this State. But I think that the bill makes a policy statement that the status quo is unacceptable and simply having a *laissez faire* approach isn't going to solve or change the status quo. And so, although I am loath to promote more regulation, I would be more in favor of reducing taxes, reducing regulation, but this is one case that merits government intervention and so for those reasons Mr. Speaker, I support this measure."

Representative Fox rose to speak in opposition, stating:

"Very briefly Mr. Speaker, I want to make some comments on two previous presentations.

"Briefly, on the Representative from Manoa, I believe he gave us essentially a false choice. He told us we either had to choose more regulation or the status quo, and I believe there is another choice that recognizes we have a problem, but moves in the direction of more regulation instead of the direction of more competition. And this is not a hypothetical choice as one we offered at the beginning of the session. Let's level the playing field and get for-profit insurers in here.

"Second I believe that the Representative from Pearl City made an absolutely brilliant observation when he noted that basically we sit here and regulate industry after industry because the industry itself wants to be regulated. The reason this is relevant to what we're talking about tonight, the reason industries want to be regulated is they want to reduce competition and that is the whole purpose of regulation to reduce competition. The answer is not more regulation. The answer is less regulation and more competition. Thank you, Mr. Speaker."

Representative Hiraki rose to speak in support of the measure, stating:

"Yes, I'd like to just again respond to some of the comments that were made by previous speakers.

"I heard one speaker say that they are against this bill because they are against centralized control of prices, I think that is the term he used. I agree. That is why I am in favor of this particular measure because what we do have in the market right now is a centralized control of prices, where one person, Mr. Speaker, one person dictates the price of health insurance in Hawaii. And you know who that one person is? Mr. Bob Heim, the CEO of HMSA. Now is that a centralized market, centralized control of prices? I don't know what else is if one person can decide what the rates are going to be. So instead of government being the socialist head in this structure, we have what they call to describe the situation that is happening in Hawaii, 'corporate socialism', where you have basically one entity defining and dictating the prices, terms and conditions and not having it competitively priced.

"Mr. Speaker, as I said before, I am against regulation for regulation sake and let me make that perfectly clear. I hope members understand you have to draw a distinction. You have to draw a distinction when there is a monopoly. You know government's role in oversight of monopolies, it is really

ingrained into our political history. Again, it is bipartisan support. As I was doing research on this I realized that it was really a bipartisan effort of Republicans and Democrats that authored our first federal anti-trust law. The Sherman Act in 1890 and GOP President Teddy Roosevelt thundered against the giant trust, he is known as the 'trustbuster'. In New York on January 3, 1900 then-Governor Roosevelt proclaimed when a trust becomes a monopoly the state has an immediate right to interfere and there is exactly what Teddy Roosevelt, by the way he is one of my favorite Presidents, embarked on when he assumed the Presidency in 1901 to help control big businesses, and specifically stop those types of monopolies. And that became one of his last things and crowning jewels of his years as President. Now are you going to call Teddy Roosevelt a socialist? I wouldn't call him that.

"Now to address some of the concerns that were raised by this Drew article. They talked about that somehow this bill will affect the reimbursements to hospitals and doctors. That is why we specifically included language provided by the Hawaii Medical Association that exempts hospitals and doctors, so it will not affect their reimbursements. And that wasn't in the original bill, but this was put in the CD to address concerns raised by Mr. Druce.

"The other criticism that I wanted to just to respond to is that somehow government doesn't have a good record when it does oversight that you haven't found a good example where government has stepped in and done a good job. And again I just want to emphasize this is nothing new. This is the same..."

Representative Chang rose to yield his time, and the Chair "so ordered."

Representative Hiraki continued, stating:

"The same type of oversight that we've done in workers comp insurance, in automobile insurance, in homeowners insurance, and in those three areas we had a reduction in rates of 40%, 35% and 25%, and you're saying we are not doing a good job? I think we are doing a terrific job. So I think that some of those people that are opposing the bill on those grounds, you know they want it two ways. They are saying well they are against regulation, but if by passing this bill it results in a 40%, 35%, 25% reduction of premiums, premiums that go directly to the pockets of their constituents. I wonder if those people still take credit for it and say that they supported that measure, because I don't think that you can have it both ways. I think that you should be consistent on this.

"Mr. Speaker, I know it's been long and I'll stop here, but members please take a look at the bill for what it is. Don't judge this bill on false misrepresentations and really take a look at the facts please. Thank you."

Representative Whalen rose to speak in opposition, stating:

"I rise in opposition to the bill.

"Mr. Speaker, I'll try to make it brief and to the point and for those of you who still might be on the fence or who say you are going to go vote with reservations, I'd like to have your attention for just a few minutes. I'd really appreciate it.

"Big question here is if, the Chairman of CPC, when he made his opening remarks described the situation of what's going on. The Representative from Manoa did an excellent job of describing the problems that we are faced with right now. But to quote the Chair of CPC, 'We don't know if it's fair because we have a lack of information.'

"In the beginning of this Session I urged my colleagues to support the House's effort to move towards this area because I was assured it was going to be a disclosure bill alone. I voted for it along with. I don't think I even voted with reservations, I might have in Committee, but on the Floor I think I left it alone because I believe we need disclosure. In fact the Representative from Pearl City said the same thing although speaking in support. He said all we want to know is if the rate is fair. We want to know how the money, from basically the interest, from the reserves, how it's being spent. We just want to know. That is being turned around to, we have to regulate. How do we know that we need to regulate when we don't know if it's fair or not?"

"This is an extremely different situation than the bill that is next on the Order of the Day, that we are going to take up on Thursday, where there is reams of information. Some of the Representatives who were turning tail and running on that issue now are voting for this one. The argument is much stronger in the gasoline instance. There we know there's a problem. We know that there is excess profit being made and there is a need to do something about it. Whether it is the bill that we'll be looking at on Thursday or not, that is debatable, but certainly something should be done.

"In terms of this situation, until we get the information in front of us through disclosure to the Insurance Commissioner who has said himself that he does not have the information to make this judgment. The insurance company said they've given it. Well, I am all for requiring them to give whatever information he says he needs to accurately look into it. But to make that jump from, even the proponents acknowledging that we just don't know if we have to regulate now, is not a jump that I am willing to make at this point.

"One of the statements that the Chair of CPC made is that we should be consistent, and I agree. Our consistency should be based on the information we have in front of us. We need to act based on what we know and to move into regulation if we have to do it. In this particular case, I don't believe it's there. There are many like I said, who are going to vote for this bill tonight because it feels good and most people don't like big companies and they don't do anything really to engender good feelings with me either. But at the same time we need to be consistent in our position in what we do. And I would urge our members to vote against this. If it was disclosure, do it. If you don't believe we should regulate at this point, vote no. Don't go along with the ride just because you want to go along with the ride or you are feeling pressure. Obviously, the next bill on the OD, the pressure of the House didn't work. People are turning tail like I said, so let us be consistent. If you can't support that, then I don't see how in the world you can support this. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, I rise in support with reservations.

"I am actually one of those that has been vacillating for a long time. I had a lot of concerns with this bill and I actually just really favor the disclosure aspect. However, because it does have a 2006 sunset date, I think that has somewhat tempered a lot of my opposition.

"My main opposition was over what would happen in the long term. I think there was the potential for the quality of healthcare to start degrading. You know if somebody is looking at the rates, they are going to say the rates are too high. And if the rates are too high then that forces the insurer to start cutting away at the benefits they are providing, and that was my real fear. If we had this in place and it kept going. But I think

because it is only a three-year bill, I really even though I still have a lot of reservations, I think it is something I can sort of go along with.

"Just to counter, I guess one of the previous points people are talking about, how we put up all these barriers in the marketplace, and I do think it is inclusive, because if you remember what we did last year under Act 185, that is where we said these mutual benefit societies need to have three times their net worth for their claims. And if you don't have that then unfortunately you'll be put under the oversight of the Commissioner. And that is exactly what happened to UHA. Unfortunately they grew a little too fast. They didn't have enough in their reserves and that's what happened. They got caught in this tailspin of the bill. So it is things that we are all doing and it is inclusive we because when I looked at the records of the votes, nobody voted in opposition.

"I do think we need to really carefully look at what we are doing if we are going to be making accusations about how hard we make it for people to enter into the competitive marketplace. Thank you."

At this time, Representative Rath called for the previous question.

At 11:12 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:15 o'clock p.m.

The Chair addressed the members, stating:

"Members we've had a lot a debate on H.B. 1761, HD1, SD2, CD1, and then if there is anyone else who would like to submit written comments for or against the measure at this point the Chair will recognize you to insert your written comments into the Journal."

Representative M. Oshiro rose in support of the measure with reservations and asked that the remarks of Representative B. Oshiro be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Espero rose and asked that the Clerk record an aye vote with reservations for him and the Chair, "so ordered."

Representative Garcia rose in support of the measure with reservations and asked that the remarks of Representative Souki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Takai rose in support of the measure with reservations and asked that the remarks of Representative B. Oshiro be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows

"Mr. Speaker, I would like to speak in favor of this measure. Although I am voting in favor of this bill, I feel strongly that the Legislature must begin to address the true reasons behind the rising cost of health care, and do this soon.

"Writing in Pacific Business News, Roger Drue, President and CEO of Hawaii Pacific Health made the following points:

1. The public's need and demand for health care is really more than we want to pay for that care.
2. There is an expectation that all should be entitled to access to the latest hi-tech equipment, specialists, alternative care providers and preventative care. However, there is not an awareness of the price to be paid.
3. The infrastructure of health care is getting old, from the buildings and equipment to doctors and nurses, many of whom will retire in the next ten years.
4. We are facing a critical shortage of nurses and other personnel which may result in sub-standard care for the people of Hawaii in the coming years.
5. The federal government is not doing it's part and must begin to keep up with the cost of care, rather than continuing to provide inadequate reimbursement.

"My own observation of the health care system tells me that we must also start to recognize that there is a lot of waste in the system. We must also recognize the increasing burden that falls on the system from our rapidly aging population.

"Although this bill may give us more information about how rates are set, it is unlikely to help control health care costs. In the long run, that will be the bottom line. Thank you."

Representative Kanoho rose and asked that the Clerk record a no vote for him and the Chair, "so ordered."

Representative Ahu Isa rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1761, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 31 ayes to 20 noes, with Representatives Ahu Isa, Auwae, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Kahikina, Kanoho, Leong, Marumoto, Meyer, Moses, Ontai, Rath, Stonebraker, Thielen and Whalen voting no.

The Chair directed the Clerk to note that H.B. No. 1761, HD 1, SD 2, CD 1, passed Final Reading at 11:17 p.m.

STANDING COMMITTEE REPORTS

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1398-02) recommending that S.B. No. 2232, SD 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2232, SD 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," passed Second Reading and was placed on the calendar for Third Reading.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1399-02) recommending that S.B. No. 2582, pass Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2582, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1400-02) recommending that S.B. No. 2705, pass Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2705, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1401-02) recommending that S.B. No. 2791, SD 2, pass Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 2791, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," passed Third Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 2582; S.B. No. 2705; and S.B. No. 2791, SD 2, passed Third Reading at 11:18 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1402-02) recommending that S.C.R. No. 16, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 16, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE REGULATION OF HYPNOTHERAPISTS," was adopted.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1403-02) recommending that S.C.R. No. 107, SD 1, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and S.C.R. No. 107, SD 1 be adopted, seconded by Representative Lee.

Representative Thielen rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

Representative Marumoto rose and asked that the Clerk record a no vote for her and the Chair, "so ordered."

At 11:19 o'clock p.m., Representative Pendleton requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:23 o'clock p.m.

Representative Pendleton rose to speak in opposition to the measure, stating:

"Mr. Speaker, may I speak on this measure? Standing Committee Report No. 1403; S.C.R. 107. I rise in opposition, Mr. Speaker.

"The title of this S.C.R. is requesting the Department of Education to develop a plan to advance the cutoff date for kindergarten to June 30 beginning with the 2005-2006 school

year. To me this whole resolution really stacks the deck in favor of making that change. Fiscally, the impact of this to the State is you have a one-time saving. Why is that? Because students then have to be older in order to get into kindergarten preventing a certain group of kids from going into kindergarten results in a one time savings. After that, then the population adjusts to that new kindergarten requirement.

"The various whereas clauses in this provision all come from the negative perspective. That if the kid is in too young there are negative consequences. If they're not quite prepared for school there are negative consequences, etc. I think we should leave that kind of discretion to the parents.

"It seems to me that we are already assuming certain kinds of conclusions from this resolution basically saying, okay let's make this happen and here is how we are going to have it happen. We are going to have them set up and develop a plan to advance the cutoff date. So we are instituting a course of action taking away discretion from parents. Kindergarten is voluntary. It says voluntary for parents, but what are we going to do if they decide that they want their children in kindergarten? We are going to take a little bit of that discretion and say, now they are going to have to be older even though for years and years we've been able to allow them to come in at a younger age. I just think that those kinds of decisions are best left to parents and in this case I am going to oppose this.

"It seems to me that the driving force behind this is to save money. It is not academic reasons, it is not educational reasons, it is not pedagogical reasons that are driving this. Really, it is just to save money, so for those reasons I oppose this particular resolution, Mr. Speaker."

Representative Leong rose to speak in opposition to the measure, stating:

"Thank you Mr. Speaker for the same reasons I'd like to record a no vote."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 107, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO DEVELOP A PLAN TO ADVANCE THE CUTOFF DATE FOR KINDERGARTEN TO JUNE 30 BEGINNING WITH THE 2005-2006 SCHOOL YEAR," was adopted, with Representatives Leong, Marumoto, Pendleton and Thielen, voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1404-02) recommending that S.C.R. No. 116, be adopted.

Representative M. Oshiro moved that the report of the Committee be adopted and that S.C.R. No 116 be adopted, seconded by Representative Lee.

Representative Moses rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I just want to rise in opposition. I stated all my reasons in previous sessions."

Representative Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I would like to speak in favor of this measure that would request the Department of Transportation to

convene a task force to examine ways to control the use of motorized scooters and other motorized devices on sidewalks, highways, and other public areas. The resolution was introduced on behalf of many concerned residents in the community who have serious concerns regarding the safety of not only pedestrians, but also regarding the children who ride motorized scooters.

"The police have been unable to deal with complaints about motorized scooters because they are not actually classified as a motorized vehicle. In actuality, they are looked upon as a toy.

"Mr. Speaker, we need to address this safety issue which affects many of our communities and has resulted in at least one fatal incident. In addition to safety, there is a substantial amount of noise created by the riders.

"The hope is that the task force will come up with legislation to be introduced in the upcoming session.

"I urge the members to support this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 116, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONVELE A TASK FORCE TO EXAMINE WAYS TO CONTROL THE USE OF MOTORIZED SCOOTERS AND OTHER MOTORIZED DEVICES ON SIDEWALKS, HIGHWAYS, AND PUBLIC AREAS," was adopted, with Representative Moses voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1405-02) recommending that S.C.R. No. 131, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 131, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING EXPEDITED BUDGETING, FINANCING, AND CONSTRUCTION OF NEW SCHOOL FACILITIES," was adopted.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1406-02) recommending that S.C.R. No. 174, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 174, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY REGARDING THE INABILITY OF INSULIN USERS TO OBTAIN A COMMERCIAL DRIVER'S LICENSE, was adopted.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1407-02) recommending that S.C.R. No. 180, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 180, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO COMPARE LEGISLATIVE PROPOSALS TO ALLOW EMPLOYEES TO USE SICK LEAVE TO CARE FOR THEIR FAMILIES AND HAWAII'S FAMILY LEAVE LAW, AS CODIFIED IN CHAPTER 398, HAWAII REVISED STATUTES," was adopted.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House Bills.

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken on April 11, 2002, in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Fox, and carried.

H.B. No. 703, HD 1 (SD 2)
 H.B. No. 2304, HD 1 (SD 1)
 H.B. No. 2455, (SD 1)
 H.B. No. 2501, HD 1 (SD 1)
 H.B. No. 2563, HD 1 (SD 1)

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative M. Oshiro then moved to agree to the amendments proposed by the Senate to the following bills, seconded by Representative Fox and carried.

H.B. 536, (SD 1)	H.B. 2413, HD 1, (SD 1)
H.B. 1011, HD 1, (SD 1)	H.B. 2433, HD 1, (SD 1)
H.B. 1684, HD 1, (SD 2)	H.B. 2449, HD 1, (SD 2)
H.B. 1700, HD 1, (SD 1)	H.B. 2537, (SD 1)
H.B. 1864, HD 1, (SD 1)	H.B. 2553, (SD 1)
H.B. 1999, (SD 1)	H.B. 2569, HD 1, (SD 1)
H.B. 2176, HD 1, (SD 1)	H.B. 2571, (SD 1)
H.B. 2216, HD 1 (SD 1)	H.B. 2854, HD 1, (SD 1)
H.B. 2349, HD 1, (SD 1)	

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bill had been received.

H.B. No. 536, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 536, on the following showing of Ayes and Noes:

Ayes, 3 (Kanoho, Nakasone and Bukoski). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 536 and H.B. No. 536, SD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY DEVELOPMENT," passed Final Reading by a vote of 51 ayes.

H.B. No. 1011, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate,

the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1011, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Hamakawa and B. Oshiro). Noes, none. Excused, 1 (Gomes).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1011, HD 1 and H.B. No. 1011, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 51 ayes.

H.B. No. 1684, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1684, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Nakasone and Whalen). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1684, HD 1 and H.B. No. 1684, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE AND LOCAL TAXATION OF MOBILE TELECOMMUNICATIONS SERVICES," passed Final Reading by a vote of 51 ayes.

H.B. No. 1700, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1700, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Hiraki and Chang). Noes, none. Excused, 1 (Whalen).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1700, HD 1 and H.B. No. 1700, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE POLICIES," passed Final Reading by a vote of 51 ayes.

H.B. No. 1864, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1864, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (B. Oshiro and Hamakawa). Noes, none. Excused, 1 (Gomes).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1864, HD 1 and H.B. No. 1864, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO VISITATION," passed Final Reading by a vote of 51 ayes.

H.B. No. 1999, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1999, on the following showing of Ayes and Noes:

Ayes, 2 (Hamakawa, and B. Oshiro). Noes, none. Excused, 1 (Auwae).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1999, and H.B. No. 1999, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HUNTING," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Morita and Thielen.

H.B. No. 2176, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2176, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Abinsay, Cabrerros and Gomes). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2176, HD 1 and H.B. No. 2176, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL MARKETING," passed Final Reading by a vote of 51 ayes.

H.B. No. 2216, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2216, HD 1, on the following showing of Ayes and Noes:

Ayes, 5 (Hiraki, Arakaki, Kawakami, Moses and Rath). Noes, none. Excused, 1 (Saiki).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2216, HD 1 and H.B. No. 2216, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH, ALCOHOL, AND DRUG ABUSE," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Thielen voting no.

H.B. No. 2349, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2349, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Souki, Hamakawa and Rath). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2349, HD 1 and H.B. No. 2349, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AUTHORIZED EMERGENCY VEHICLES," passed Final Reading by a vote of 51 ayes.

H.B. No. 2413, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2413, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Chang and Meyer). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2413, HD 1 and H.B. No. 2413, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Final Reading by a vote of 51 ayes.

H.B. No. 2433, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2433, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (B. Oshiro and Hamakawa). Noes, none. Excused, 1 (Thielen).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2433, HD 1 and H.B. No. 2433, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Final Reading by a vote of 51 ayes.

H.B. No. 2449, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2449, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Ahu Isa and Magaoay). Noes, none. Excused, 1 (Ontai).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2449, HD 1 and H.B. No. 2449, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS," passed Final Reading by a vote of 51 ayes.

H.B. No. 2537, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2537, on the following showing of Ayes and Noes:

Ayes, 3 (Kanoho, Hale and Thielen). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2537, and H.B. No. 2537, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUATIC RESOURCES," passed Final Reading by a vote of 51 ayes.

H.B. No. 2553, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2553, on the following showing of Ayes and Noes:

Ayes, 2 (Kanohe and Nakasone). Noes, none. Excused, 1 (Leong).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2553, and H.B. No. 2553, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUREAU OF CONVEYANCES," passed Final Reading by a vote of 51 ayes.

H.B. No. 2569, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2569, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Suzuki, Nakasone and Djou). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2569, HD 1 and H.B. No. 2569, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONFORMITY OF THE STATE TAX LAWS TO THE UNITED STATES CONSTITUTION," passed Final Reading by a vote of 51 ayes.

H.B. No. 2571, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2571, on the following showing of Ayes and Noes:

Ayes, 2 (Ahu Isa and Magaoay). Noes, none. Excused, 1 (Leong).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2571, and H.B. No. 2571, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION OF PERSONS WITH IMPAIRED SIGHT OR HEARING OR WHO ARE TOTALLY DISABLED THAT ARE ENGAGED IN BUSINESS," passed Final Reading by a vote of 51 ayes.

H.B. No. 2854, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2854, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Hiraki and Chang). Noes, none. Excused, 1 (Whalen).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2854, HD 1 and H.B. No. 2854, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ACCOUNTANCY," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. No. 536, SD 1; H.B. No. 1011, HD 1, SD 1; H.B. No. 1684, HD 1, SD 2; H.B. No. 1700, HD 1, SD 1; H.B. No. 1864, HD 1, SD 1; H.B. No. 1999, SD 1; H.B. No. 2176, HD 1, SD 1; H.B. No. 2216, HD 1, SD 1; H.B. No. 2349, HD 1, SD 1; H.B. No. 2413, HD 1, SD 1; H.B. No. 2433, HD 1, SD 1; H.B. No. 2449, HD 1, SD 2; H.B. No. 2537, SD 1; H.B. No. 2553, SD 1; H.B. No. 2569, HD 1, SD 1; H.B. No. 2571, SD 1 and H.B. No. 2854, HD 1, SD 1 had passed Final Reading at 11:37 o'clock p.m.

ADJOURNMENT

At 11:37 o'clock p.m. on motion by Representative Lee, seconded by Representative Djou and carried, the House of Representatives adjourned until 2:00 o'clock p.m., Thursday, May 2, 2002.

SIXTIETH DAY

Thursday, May 2, 2002

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, convened at 2:18 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Trustee Nainoa Thompson of the Kamehameha Schools, after which the Roll was called showing all members present with the exception of Representative Ahu Isa who was excused.

On motion by Representative Lee, seconded by Representative Djou and carried, reading of the Journals was dispensed with and the Journals of the Forty-Fifth and Forty-Sixth Days were approved. (Representative Ahu Isa was excused.)

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 241 and 242) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 241, transmitting the 2001 Annual Report prepared by the Department of Hawaiian Home Lands, pursuant to Section 222, Hawaiian Homes Commission Act, 1920, as amended.

Gov. Msg. No. 242, informing the House that on April 30, 2002, the following measure became law without his signature, pursuant to Section 16 of Article III of the State Constitution:

H.B. No. 2167, HD 1, SD, 1, RELATING TO TRAFFIC ENFORCEMENT (ACT 058).

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 708 through 740) were received and announced by the Clerk.

Sen. Com. No. 708, transmitting H.C.R. No. 17, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE LEASE OF EASEMENT COVERING PORTION OF SUBMERGED LANDS AT MAUNALUA, OAHU, HAWAII, FOR MAINTENANCE OF THE HAWAII KAI MARINA ENTRANCE CHANNEL PURPOSES," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 709, transmitting H.C.R. No. 48, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR AND THE PRESIDENT OF THE UNIVERSITY OF HAWAII TO ESTABLISH SISTER-STATE EDUCATIONAL, CULTURAL, AND ECONOMIC EXCHANGES BETWEEN THE STATE OF HAWAII AND THE PROVINCE OF ILOCOS SUR OF THE REPUBLIC OF THE PHILIPPINES," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 710, transmitting H.C.R. No. 53, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING ESTABLISHMENT OF A TASK FORCE TO EXAMINE STATE REGULATION OF DEATH CARE PROVIDERS," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 711, transmitting H.C.R. No. 72, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE

HAWAII TOURISM AUTHORITY TO DEVELOP AN OVERALL STRATEGY, POLICY, AND PLAN TO AWARD TOURISM PRODUCT ENRICHMENT AND DIVERSIFICATION GRANTS," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 712, transmitting H.C.R. No. 101, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A WORKING GROUP TO BE CONVENED TO EVALUATE AND RECOMMEND MEASURES TO ENCOURAGE THE USE OF SAFETY PROGRAMS SUCH AS THE EDDIE EAGLE PROGRAM FOR FIREARM SAFETY," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 713, transmitting H.C.R. No. 105, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY OF PRINTING PRODUCTS AND SERVICES UTILIZED, CONTRACTED, AND SUBCONTRACTED BY HAWAII STATE GOVERNMENT," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 714, transmitting H.C.R. No. 123, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED NATIONS TO CONSIDER THE ESTABLISHMENT IN HAWAII, OF A CENTER FOR THE HEALTH, WELFARE, AND EDUCATION OF CHILDREN, YOUTH, AND FAMILIES FOR ASIA AND THE PACIFIC AND REQUESTING SUPPORT FOR THE CENTER FROM THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 715, transmitting H.C.R. No. 139, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY ON VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATIONS TO DETERMINE THEIR FEASIBILITY AS VIABLE HEALTH INSURANCE PLANS FOR PUBLIC EMPLOYEES, RETIREES, AND THEIR DEPENDENTS," which was adopted by the Senate on April 30, 2002.

Sen. Com. No. 716, transmitting H.B. No. 682, entitled: "A BILL FOR AN ACT RELATING TO CONTESTS OF OCCUPATIONAL SAFETY AND HEALTH MATTERS," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 717, transmitting H.B. No. 1772, entitled: "A BILL FOR AN ACT RELATING TO RESIDENCY OF POLICE OFFICER APPLICANTS," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 718, transmitting H.B. No. 2128, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR PROJECTS ON THE ISLAND OF HAWAII," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 719, transmitting H.B. No. 2231, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 720, transmitting H.B. No. 2248, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR PROCESSING ENTERPRISES," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 721, transmitting H.B. No. 2329, entitled: "A BILL FOR AN ACT RELATING TO MANAGED

COMPETITION," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 722, transmitting H.B. No. 2365, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 723, transmitting H.B. No. 2385, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WINES OF KAUAI, LLC," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 724, transmitting H.B. No. 2429, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 725, transmitting H.B. No. 2460, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 726, transmitting H.B. No. 2478, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT STATUS OF PERSONNEL OF THE HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 727, transmitting H.B. No. 2481, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE EXEMPTIONS," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 728, transmitting H.B. No. 2518, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 729, transmitting H.B. No. 2523, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 730, transmitting H.B. No. 2531, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TEMPORARY HEALTH INSURANCE FOR UNEMPLOYED PERSONS," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 731, transmitting H.B. No. 2538, entitled: "A BILL FOR AN ACT RELATING TO AQUATIC RESOURCES," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 732, transmitting H.B. No. 2554, entitled: "A BILL FOR AN ACT RELATING TO NONCOMMERCIAL PIERS," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 733, transmitting H.B. No. 2556, entitled: "A BILL FOR AN ACT RELATING TO SECTION 13 OF ACT 15, THIRD SPECIAL SESSION LAWS OF HAWAII 2001," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 734, transmitting H.B. No. 2708, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL DISEASES," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 735, transmitting H.B. No. 2710, HD 1, entitled: "A BILL FOR AN ACT RELATING TO OCEAN

LEASING," which passed Third Reading in the Senate on April 30, 2002.

Sen. Com. No. 736, informing the House that on April 30, 2002, the following bills passed Final Reading in the Senate:

H.B. No. 1800, HD 1, SD 1, CD 1
"RELATING TO THE STATE BUDGET."

S.B. No. 2228, SD 1, HD 2, CD 1
"RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES."

H.B. No. 2165, HD 1, SD 2, CD 1
"RELATING TO EDUCATION."

H.B. No. 2353, HD 2, SD 1, CD 1
"RELATING TO EDUCATION."

H.B. No. 2192, HD 1, SD 1, CD 1
"RELATING TO THE HAWAII TOURISM AUTHORITY."

H.B. No. 2164, HD 2, SD 2, CD 1
"RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM."

H.B. No. 2480, HD 1, SD 2, CD 1
"RELATING TO SCHOOL BUS FARES."

S.B. No. 2900, HD 1, CD 1
"MAKING AN APPROPRIATION FOR THE EMERGENCY ENVIRONMENTAL WORKFORCE."

S.B. No. 552, SD 2, HD 1, CD 1
"MAKING AN APPROPRIATION FOR A KOREAN WAR MUSEUM."

S.B. No. 251, SD 2, HD 1, CD 1
"RELATING TO PROFESSIONAL COUNSELORS."

S.B. No. 3047, SD 1, HD 1, CD 1
"MAKING AN APPROPRIATION FOR THE WAIPAHU COMMUNITY ADULT DAY HEALTH CENTER AND YOUTH DAY CARE CENTER PILOT PROJECT."

S.B. No. 2702, SD 2, HD 2, CD 1
"RELATING TO THE KALAELOA COMMUNITY DEVELOPMENT DISTRICT."

S.B. No. 2331, SD 2, HD 2, CD 1
"MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION."

S.B. No. 2306, SD 2, HD 2, CD 1
"RELATING TO TRANSPORTATION."

H.B. No. 2741, HD 2, SD 2, CD 1
"RELATING TO THE CIGARETTE AND TOBACCO TAX."

S.B. No. 706, SD 1, HD 1, CD 1
"RELATING TO STATE GOVERNMENT."

H.B. No. 2788, SD 1, CD 1
"RELATING TO STATE BONDS."

H.B. No. 1245, HD 1, SD 1, CD 1
"RELATING TO THE STATE BUDGET."

H.B. No. 2827, HD 1, SD 2, CD 1
"RELATING TO THE STATE FINANCES."

H.B. No. 2300, HD 2, SD 1, CD 1
"RELATING TO THE JUDICIARY."

H.B. No. 2848, HD 1, SD 2, CD 1
"PROPOSING AMENDMENTS TO ARTICLE VII, SECTION 12, AND ARTICLE X, SECTION 1, OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE STATE TO ISSUE SPECIAL PURPOSE REVENUE BONDS AND USE THE PROCEEDS FROM THE BONDS TO ASSIST NOT-FOR-PROFIT PRIVATE ELEMENTARY SCHOOLS, SECONDARY SCHOOLS, COLLEGES, AND UNIVERSITIES."

H.B. No. 2166, HD 1, SD 2, CD 1
"RELATING TO EDUCATION."

H.B. No. 2495, SD 1, CD 1
"MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES."

S.B. No. 594, SD 1, HD 2, CD 1
"RELATING TO NEUROTRAUMA."

S.B. No. 2763, SD 2, HD 2, CD 1
"RELATING TO BIRTH DEFECTS."

S.B. No. 2775, HD 1, CD 1
"MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION."

S.B. No. 2682, SD 1, HD 2, CD 1
"MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES."

S.B. No. 2350, SD 2, HD 2, CD 1
"RELATING TO TRANSIENT ACCOMMODATIONS TAX."

H.B. No. 2512, SD 2, CD 1
"RELATING TO THE PUBLIC HEALTH NURSING SERVICES SPECIAL FUND."

H.B. No. 1950, SD 2, CD 1
"RELATING TO PRESCRIPTION DRUGS."

H.B. No. 2638, HD 2, SD 1, CD 1
"RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT."

H.B. No. 1256, HD 2, SD 2, CD 1
"RELATING TO SOLID WASTE MANAGEMENT."

H.B. No. 1821, HD 2, SD 1, CD 1
"RELATING TO THE LEGISLATIVE AUDITOR."

H.B. No. 2451, SD 2, CD 1
"RELATING TO THE CONVENTION CENTER."

H.B. No. 2595, HD 1, SD 1, CD 1
"MAKING AN APPROPRIATION TO ENHANCE AGRICULTURAL TOURISM VENUES."

S.B. No. 3048, SD 2, HD 1, CD 1
"RELATING TO BONDS."

S.B. No. 2127, HD 1, CD 1
"RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM."

S.B. No. 3049, SD 2, HD 2, CD 1
"RELATING TO BONDS."

H.B. No. 2459, SD 2, CD 1
"MAKING EMERGENCY APPROPRIATION FOR SOCIAL SECURITY/MEDICARE EXPENSES."

H.B. No. 2834, SD 2, CD 1
"RELATING TO PRESCRIPTION DRUGS."

H.B. No. 2072, HD 2, SD 1, CD 1
"RELATING TO SOCIAL WELFARE."

Sen. Com. No. 737, informing the House that on April 30, 2002, the following bills passed Final Reading in the Senate:

H.B. No. 1012, SD 1, CD 1
"PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 6, OF THE HAWAII CONSTITUTION, TO CHANGE THE ELIGIBILITY TO SERVE AS A MEMBER OF THE SENATE OR HOUSE OF REPRESENTATIVES."

H.B. No. 2002, SD 1, CD 1
"RELATING TO PUBLIC LANDS."

H.B. No. 1843, SD 1, CD 1
"RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT."

H.B. No. 2723, HD 2, SD 1, CD 1
"RELATING TO COUNTIES."

H.B. No. 741, HD 1, SD 1, CD 1
"RELATING TO CIVIL LIABILITY."

H.B. No. 2315, HD 1, SD 1, CD 1
"RELATING TO THE OBSTRUCTION OF INGRESS OR EGRESS."

H.B. No. 1749, HD 2, SD 1, CD 1
"RELATING TO ADULT RESIDENTIAL CARE HOMES."

H.B. No. 2521, HD 2, SD 2, CD 1
"RELATING TO CONTROL OF DISEASE."

H.B. No. 1730, HD 1, SD 1, CD 1
"RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEE."

H.B. No. 1731, HD 2, SD 1, CD 1
"RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEES."

H.B. No. 1901, HD 2, SD 1, CD 1
"RELATING TO HIV TESTING FOR SEXUAL OFFENSES."

H.B. No. 771, HD 1, SD 1, CD 1
"RELATING TO CRIME."

H.B. No. 2065, HD 1, SD 1, CD 1
"RELATING TO NURSES."

H.B. No. 2506, HD 1, SD 1, CD 1
"RELATING TO VITAL STATISTICS."

- H.B. No. 202, HD 1, SD 2, CD 1
"RELATING TO HEALTH INSURANCE."
- H.B. No. 2843, SD 2, CD 1
"RELATING TO ELECTIONS."
- H.B. No. 2720, HD 1, SD 1, CD 1
"RELATING TO THE USE TAX."
- H.B. No. 1357, HD 1, SD 2, CD 1
"RELATING TO HEALTH."
- S.B. No. 2732, SD 1, HD 1, CD 1
"RELATING TO BUSINESS REGISTRATION."
- S.B. No. 2964, SD 2, HD 2, CD 1
"RELATING TO THE HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE."
- S.B. No. 3053, SD 2, HD 1, CD 1
"RELATING TO PUBLIC HEALTH NURSING."
- S.B. No. 2926, SD 1, HD 2, CD 1
"RELATING TO EDUCATION."
- S.B. No. 2816, SD 2, HD 1, CD 1
"RELATING TO STUDENT LOANS FOR TEACHERS."
- S.B. No. 2786, SD 1, HD 1, CD 1
"RELATING TO THE HOISTING MACHINE OPERATORS ADVISORY BOARD."
- S.B. No. 796, SD 1, HD 2, CD 2
"RELATING TO STATE AND COUNTY TORT LIABILITY."
- S.B. No. 940, HD 2, CD 1
"RELATING TO INSURANCE UNFAIR PRACTICES."
- S.B. No. 859, SD 1, HD 2, CD 1
"RELATING TO PAROLE."
- S.B. No. 720, SD 2, HD 2, CD 1
"RELATING TO PROHIBITION OF DISCRIMINATION BY PUBLIC ENTITIES TOWARDS INDIVIDUALS WITH DISABILITIES."
- S.B. No. 2337, SD 2, HD 2, CD 1
"RELATING TO RACING ON HIGHWAYS."
- S.B. No. 331, SD 2, HD 2, CD 1
"RELATING TO HOUSING."
- S.B. No. 233, SD 2, HD 2, CD 1
"RELATING TO CHIROPRACTIC."
- S.B. No. 733, SD 1, HD 1, CD 1
"RELATING TO EMPLOYMENT SECURITY."
- S.B. No. 2802, SD 2, HD 2, CD 1
"RELATING TO LEASING OF PUBLIC LANDS TO RENEWABLE ENERGY PRODUCERS."
- S.B. No. 23, SD 2, HD 2, CD 1
"RELATING TO DISASTER RELIEF."
- S.B. No. 2724, SD 2, HD 1, CD 1
"RELATING TO REAL ESTATE."
- S.B. No. 1188, SD 2, HD 2, CD 1
"RELATING TO SENTENCING FOR DRUGS AND INTOXICATING COMPOUNDS OFFENSES."
- S.B. No. 2907, SD 2, HD 2, CD 1
"RELATING TO TAXATION."
- H.B. No. 2525, HD 1, SD 2, CD 1
"RELATING TO PUBLIC WORKS PROJECTS."
- H.B. No. 2468, HD 1, SD 1, CD 1
"RELATING TO CEMETERY AND FUNERAL TRUSTS."
- H.B. No. 2752, HD 1, SD 1, CD 1
"RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES."
- H.B. No. 1969, SD 1, CD 1
"RELATING TO THE BOARD OF EDUCATION."
- H.B. No. 2840, SD 2, CD 1
"RELATING TO STATE GOVERNMENT."
- H.B. No. 2821, HD 1, SD 2, CD 1
"RELATING TO STATE DEPARTMENTS."
- S.B. No. 2043, SD 1, HD 1, CD 1
"RELATING TO ADOPTION."
- S.B. No. 2478, HD 1, CD 1
"RELATING TO THE TRUSTEES OF THE OFFICE OF HAWAIIAN AFFAIRS."
- S.B. No. 2512, SD 2, HD 2, CD 1
"RELATING TO CHARTER SCHOOLS."
- S.B. No. 2431, SD 2, HD 1, CD 1
"RELATING TO CAMPAIGN SPENDING."
- S.B. No. 3028, SD 1, HD 2, CD 1
"RELATING TO THE REGULATION OF WARRANTORS OF VEHICLE PROTECTION PRODUCTS."
- S.B. No. 3018, SD 1, HD 1, CD 1
"RELATING TO EDUCATION."
- S.B. No. 2383, SD 2, HD 2, CD 1
"RELATING TO TAXATION TO STIMULATE THE ECONOMY."
- H.B. No. 1761, HD 1, SD 2, CD 1
"RELATING TO INSURANCE."
- Sen. Com. No. 738, informing the House that on April 30, 2002, the following bills passed Final Reading in the Senate:
- H.B. No. 2382, HD 1, SD 2, CD 1
"RELATING TO CORRECTIONAL FACILITIES."
- H.B. No. 2527, SD 1, CD 1
"RELATING TO SAFETY INSPECTION FREQUENCIES FOR REGULATED EQUIPMENT."
- H.B. No. 1942, SD 1, CD 1
"ESTABLISHING A COMMISSION TO CELEBRATE THE ONE-HUNDREDTH ANNIVERSARY OF THE ARRIVAL OF FILIPINOS TO HAWAII."

- H.B. No. 1758, HD 1, SD 1, CD 1
"RELATING TO DOMESTIC ABUSE."
- H.B. No. 2305, HD 1, SD 1, CD 1
"RELATING TO THE UNIFORM PROBATE CODE."
- H.B. No. 2568, HD 1, SD 1, CD 1
"RELATING TO THE COLLECTION OF TAXES."
- H.B. No. 2536, SD 1, CD 1
"RELATING TO SECTION 17 OF ACT 85, SESSION LAWS OF HAWAII 1999."
- H.B. No. 1724, SD 1, CD 1
"RELATING TO SPECIAL NUMBER PLATES FOR MILITARY SERVICE."
- H.B. No. 2577, HD 1, SD 1, CD 1
"RELATING TO DEVELOPMENT OF PUBLIC LANDS."
- H.B. No. 2045, HD 1, SD 2, CD 1
"RELATING TO REVENUE BONDS."
- H.B. No. 870, SD 1, CD 1
"RELATING TO PUBLIC LANDS."
- H.B. No. 2443, HD 2, SD 1, CD 1
"RELATING TO THE PREVENTION OF THE FILING OF FRIVOLOUS FINANCING STATEMENTS."
- H.B. No. 1996, SD 1, CD 1
"RELATING TO THE ADMINISTRATION OF TAXES."
- H.B. No. 223, HD 1, SD 2, CD 1
"RELATING TO OPTOMETRY."
- H.B. No. 2120, HD 1, SD 1, CD 1
"RELATING TO THE UNIFORM CHILD-CUSTODY JURISDICTION AND ENFORCEMENT ACT."
- H.B. No. 2427, HD 1, SD 1, CD 1
"RELATING TO VICTIMS OF CRIMES."
- H.B. No. 2438, HD 1, SD 1, CD 1
"RELATING TO IDENTITY."
- H.B. No. 2817, HD 1, SD 1, CD 1
"RELATING TO THE HAWAII RULES OF EVIDENCE."
- H.B. No. 2302, HD 2, SD 1, CD 1
"RELATING TO MOTOR VEHICLE DRIVERS' LICENSES."
- H.B. No. 2509, HD 1, SD 1, CD 1
"RELATING TO PARKING FOR PERSONS WITH DISABILITIES."
- H.B. No. 1842, HD 1, SD 2, CD 1
"RELATING TO THE PRACTICE OF PHARMACY."
- H.B. No. 2426, HD 1, SD 1, CD 1
"RELATING TO CRIMES AGAINST CHILDREN."
- H.B. No. 1713, HD 1, SD 1, CD 1
"RELATING TO CONDOMINIUM PROPERTY REGIMES."
- H.B. No. 1715, HD 1, SD 1, CD 1
"RELATING TO CONDOMINIUM PROPERTY REGIMES."
- H.B. No. 1716, HD 1, SD 1, CD 1
"RELATING TO CONDOMINIUM PROPERTY REGIMES."
- H.B. No. 2832, HD 1, SD 2, CD 1
"RELATING TO TIME SHARING PLANS."
- H.B. No. 2552, HD 1, SD 1, CD 1
"RELATING TO THE DEFINITION OF LANDOWNER FOR SAFE HARBOR AGREEMENTS AND HABITAT CONSERVATION PLANS."
- S.B. No. 996, HD 1, CD 1
"PROPOSING AMENDMENTS TO ARTICLE I, SECTION 10, OF THE HAWAII CONSTITUTION."
- S.B. No. 997, HD 1, CD 1
"RELATING TO CRIMINAL OFFENSES."
- S.B. No. 99, HD 1, CD 1
"RELATING TO THE LIQUOR COMMISSION."
- S.B. No. 3040, SD 2, HD 2, CD 1
"RELATING TO CAPTIVE INSURANCE."
- S.B. No. 2046, SD 1, HD 1, CD 1
"RELATING TO GUIDE DOGS, SIGNAL DOGS, AND SERVICE ANIMALS."
- S.B. No. 2934, HD 2, CD 1
"RELATING TO INTOXICATING LIQUOR."
- S.B. No. 2613, SD 2, HD 1, CD 1
"RELATING TO FISHING RIGHTS AND REGULATIONS."
- S.B. No. 2290, SD 1, HD 1, CD 1
"RELATING TO INDEPENDENT BILL REVIEWERS."
- S.B. No. 2526, SD 2, HD 1, CD 1
"RELATING TO PARENTAL PREFERENCES IN GOVERNMENT CONTRACTS, PROGRAMS, AND SERVICES."
- S.B. No. 2075, SD 2, HD 1, CD 1
"RELATING TO DENTAL HYGIENISTS."
- S.B. No. 2824, SD 2, HD 1, CD 1
"RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE."
- S.B. No. 2698, SD 2, HD 1, CD 1
"RELATING TO CHAPTER 846E, HAWAII REVISED STATUTES."
- S.B. No. 2733, SD 2, HD 1, CD 1
"RELATING TO INSURANCE."
- S.B. No. 2898, SD 2, HD 2, CD 1
"RELATING TO CAVE PROTECTION."
- S.B. No. 2708, SD 1, HD 1, CD 1
"RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII."
- S.B. No. 2234, SD 2, HD 2, CD 1
"RELATING TO SEXUAL EXPLOITATION."
- S.B. No. 3063, SD 2, HD 2, CD 1
"RELATING TO THE ENVIRONMENT."

S.B. No. 2757, SD 2, HD 2, CD 1
"RELATING TO AMENDMENTS TO ACT 253, SESSION LAWS OF HAWAII 2000."

S.B. No. 2666, SD 2, HD 1, CD 1
"RELATING TO A SEAL OF QUALITY FOR FRESH AND PROCESSED AGRICULTURAL PRODUCTS."

S.B. No. 2078, SD 1, HD 1, CD 1
"RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM."

S.B. No. 2737, HD 1, CD 1
"RELATING TO DISASTER RELIEF."

S.B. No. 2867, SD 1, HD 1, CD 1
"RELATING TO MEDICAID."

H.B. No. 1595, HD 1, SD 1, CD 1
"RELATING TO PUBLIC EMPLOYEES."

H.B. No. 2276, HD 2, SD 1, CD 1
"RELATING TO COLLECTIVE BARGAINING."

H.B. No. 2500, HD 1, SD 1, CD 1
"RELATING TO STATUTORY REFERENCES AFFECTED BY ACT 253, SESSION LAWS OF HAWAII 2000."

H.B. No. 2018, HD 1, SD 2, CD 1
"RELATING TO AGRICULTURAL LEASES."

H.B. No. 2311, HD 2, SD 2, CD 1
"RELATING TO JUDGES FOR THE CIRCUIT COURT."

H.B. No. 1777, HD 1, SD 1, CD 1
"RELATING TO PUBLIC UTILITIES."

H.B. No. 2453, SD 1, CD 1
"RELATING TO THE CAPITAL LOAN PROGRAM."

H.B. No. 2454, SD 1, CD 1
"RELATING TO ENTERPRISE ZONES."

H.B. No. 2212, HD 1, SD 2, CD 1
"RELATING TO ALIEN INVASIVE SPECIES."

H.B. No. 2006, HD 1, SD 1, CD 1
"RELATING TO SPECIAL WASTES RECYCLING."

H.B. No. 2761, HD 1, SD 1, CD 1
"RELATING TO COMMUNITY ORAL HEALTH."

S.B. No. 2067, SD 2, HD 1, CD 1
"RELATING TO HIGHER EDUCATION."

S.B. No. 2068, SD 2, HD 2, CD 1
"RELATING TO SCHOOL REPAIR AND MAINTENANCE."

S.B. No. 2270, SD 2, HD 2, CD 1
"RELATING TO EDUCATION."

S.B. No. 2831, SD 1, HD 1, CD 1
"RELATING TO AN EXTENSION OF THE RESIDENTIAL CONSTRUCTION AND REMODELING INCOME TAX CREDIT."

S.B. No. 2500, SD 2, HD 1, CD 1
"RELATING TO HUMAN SERVICES."

S.B. No. 2568, SD 2, HD 1, CD 1
"RELATING TO LANGUAGE ACCESS FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY."

S.B. No. 2883, SD 1, HD 1, CD 1
"RELATING TO INSURANCE."

S.B. No. 2036, SD 1, HD 2, CD 1
"RELATING TO EDUCATION."

S.B. No. 2985, SD 2, HD 2, CD 1
"RELATING TO QUALIFIED IMPROVEMENT TAX CREDIT."

Sen. Com. No. 739, informing the House that on April 30, 2002, the Senate has reconsidered its action taken on April 11, 2002, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

S.B. No. 1320, SD 2, HD 1
"RELATING TO ANTITRUST."

S.B. No. 2106, SD 2, HD 1
"RELATING TO MARRIAGE AND FAMILY THERAPISTS."

S.B. No. 2180, SD 2, HD 1
"RELATING TO GENETIC INFORMATION AND GENETIC TESTING."

S.B. No. 2093, SD 1, HD 1
"RELATING TO HEALTH INSURANCE."

S.B. No. 2112, SD 1, HD 1
"RELATING TO COLLECTIVE BARGAINING."

S.B. No. 2231, SD 1, HD 1
"RELATING TO KAHO'OLAWA ISLAND RESERVE."

S.B. No. 2242, SD 1, HD 1
"RELATING TO PUBLIC LAND LEASES."

S.B. No. 2289, SD 1, HD 2
"RELATING TO CONDOMINIUM PROPERTY REGIMES."

S.B. No. 2422, SD 2, HD 2
"RELATING TO MOTOR VEHICLE INSPECTIONS."

S.B. No. 2628, SD 2, HD 2
"RELATING TO THE USE OF INTOXICANTS."

S.B. No. 2667, HD 1
"RELATING TO PUBLIC LANDS."

S.B. No. 2680, HD 1
"RELATING TO SCHOOL FACILITIES."

S.B. No. 2715, SD 1, HD 1
"RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM."

S.B. No. 2721, SD 1, HD 1
"RELATING TO DENTAL INSURANCE."

S.B. No. 2750, SD 1, HD 2
"RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED."

S.B. No. 2772, HD 1
"RELATING TO TATTOO ARTISTS."

S.B. No. 2774, SD 2, HD 2
"RELATING TO ENVIRONMENTAL PROGRAM FINANCING."

S.B. No. 2782, SD 1, HD 1
"RELATING TO HOSPITAL LICENSING."

S.B. No. 2784, SD 1, HD 1
"RELATING TO WORKERS' COMPENSATION."

S.B. No. 2804, HD 1
"RELATING TO SUBLEASING OF PUBLIC LANDS."

S.B. No. 2817, SD 2, HD 1
"RELATING TO THE REPEAL OF NULL AND VOID AND UNNECESSARY ADMINISTRATIVE RULES."

S.B. No. 3041, SD 1, HD 1
"RELATING TO THE DEPARTMENT OF EDUCATION STOREROOM REVOLVING FUND."

S.B. No. 2052, HD 1
"RELATING TO SPECIAL PURPOSE REVENUE BONDS."

Sen. Com. No. 740, informing the House that on April 30, 2002, the Senate has agreed to the amendments proposed by the House to the following Senate Concurrent Resolutions and that said resolutions were adopted in final form by the Senate:

S.C.R. No. 15, SD 1, HD 1
"CREATING A WORKING GROUP OF REPRESENTATIVES FROM HAWAIIAN ORGANIZATIONS, THE DEPARTMENT OF HAWAIIAN HOME LANDS, AND THE DEPARTMENT OF HEALTH TO FORM A COALITION TO PROVIDE BETTER ACCESS TO STATE VITAL STATISTICS RECORDS."

S.C.R. No. 82, SD 1, HD 1
"REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE FAMILY COURT SYSTEM."

S.C.R. No. 35, SD 1, HD 1
"SUPPORTING THE COLLABORATIVE EFFORTS AND THE PARTNERING INITIATIVES OF THE VETERANS' ADMINISTRATION (VA) STATE HOME CONSTRUCTION OFFICE IN WASHINGTON, D.C., THE HAWAII HEALTH SYSTEMS CORPORATION, THE HAWAII VA MEDICAL AND REGIONAL OFFICE CENTER (VAMROC), AND THE HAWAII OFFICE OF VETERANS' SERVICES, TO ESTABLISH A STATE-OF-THE-ART VA STATE HOME FACILITY ON THE CAMPUS OF THE HILO MEDICAL CENTER WHICH WILL PROVIDE CRITICALLY NEEDED, HIGH QUALITY, ACCESSIBLE LONG-TERM CARE SERVICES TO VA BENEFICIARIES RESIDING IN EAST HAWAII COUNTY."

S.C.R. No. 48, SD 1, HD 1
"REQUESTING THE AUDITOR TO REASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR SERVICES PROVIDED BY COMPLEMENTARY ALTERNATIVE CARE PROVIDERS."

S.C.R. No. 63, HD 1
"REQUESTING THAT A TASK FORCE BE CONVENED TO STUDY THE FEASIBILITY OF HAVING THE DEPARTMENT OF HEALTH REGULATE TOBACCO AS A CONSUMER PRODUCT."

S.C.R. No. 69, HD 1
"REQUESTING THE UNITED NATIONS TO CONSIDER THE ESTABLISHMENT IN HAWAII, OF A CENTER FOR THE HEALTH, WELFARE, AND EDUCATION OF CHILDREN, YOUTH, AND FAMILIES FOR ASIA AND THE PACIFIC AND REQUESTING SUPPORT FOR THE CENTER FROM THE PRESIDENT AND THE UNITED STATES CONGRESS."

S.C.R. No. 100, SD 1, HD 1
"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF THE GUARDIANS AD LITEM/ATTORNEY STATUTORY FEE REQUIREMENTS TO DETERMINE IF THERE IS A MORE EFFECTIVE MODEL THAT COULD BE ADOPTED FOR HAWAII."

S.C.R. No. 102, HD 1
"REQUESTING FEDERAL REIMBURSEMENT RESULTING FROM THE IMPACT OF LAWFUL NONIMMIGRANTS FROM THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND PALAU OVER THE PAST 15 YEARS AND ADEQUATE FINANCIAL ASSISTANCE TO AMELIORATE ANY FURTHER IMPACT."

DEPARTMENTAL COMMUNICATION

The following departmental communication (Dept. Com. No. 30) was received by the Clerk was placed on file:

Dept. Comm. No. 30, from Marion M. Higa, State Auditor, transmitting their report, Financial Audit of the Department of Public Safety.

INTRODUCTIONS

The following introductions were made to the members of the House:

Representative Case introduced his parents Mr. and Mrs. Jim and Susan Case, his sister Ms. Suzanne Case, and his niece Miss Malia Marguleas. Also with them was friend Mr. Mark Fox with the Nature Conservancy.

Representative Hale introduced her staff: Office Manager Ms. Barbara Hale, and aides Ms. Florence Jefferson and Mr. Mark Kaeo.

Representative Espero introduced his staff: Officer Manager Mr. Tom Berg, Ms. Marlene Uyesugi and Ms. Tobie Laimana.

Representative Schatz introduced his staff: Mr. Jay Duffy and Mr. Roal Paik.

Representative Luke introduced her friend Ms. Ann Chung of the Hawaii Technology Trade Association.

Representative Chang introduced a group of gasoline dealers and retailers from across the State.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Djou and carried, the rules were suspended for the purpose of considering certain bills for Final Reading and Third Reading on the basis of a modified consent calendar. (Representative Ahu Isa was excused.)

UNFINISHED BUSINESS**H.B. No. 1722, SD 1, CD 2:**

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, H.B. No. 1722, SD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Djou, Fox, Halford, Jaffe and Thielen voting no, and with Representative Ahu Isa being excused.

The Chair directed the Clerk to note that H.B. No. 1722, SD 1, CD 2, passed Final Reading at 2:30 p.m.

S.B. No. 2416, SD 2, HD 2, CD 2:

Representative M. Oshiro moved that S.B. No. 2416, SD 2, HD 2, CD 2, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am in opposition and just ask the Clerk to include my comments in opposition to a similar long-term-care bill that passed on Tuesday," and the Chair "so ordered." (H.B. No. 2638, HD 2, SD 1, CD 1 -- By reference only.)

Representative Kahikina rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in favor S.B. 2416, Relating to Hawaii Long Term Care Financing Act.

"This bill Mr. Speaker, establishes a long-term care financing program to help Hawaii's citizens pay for long-term care services. It further calls for the development of a plan for a dedicated source of revenue to provide a state-funded long-term care services system.

"Mr. Speaker, while I applaud the intent and purpose of this bill to assist all citizens of Hawaii, and voted for it in Committee, there is a factor of heartache involved. As I vote for this bill today, I also grieve for the indigenous people of this land whose support from the Office of Hawaiian Affairs was devastated by our failure to provide interim funding to one of the State agencies most responsible for the betterment of the condition of Hawaiians and native Hawaiians.

"The health of the Hawaiian people in the healthiest state of the union is deplorable. It is the worst of all our citizens and we have removed a major pillar of Hawaiian support by providing no funding. There is no funding source to the Office of Hawaiian Affairs. I find it inconceivable that we would do such a thing Mr. Speaker, and while I know that some Hawaiians will receive help from this bill, I cannot conceal my disappointment that the Legislature of 2002 failed to help OHA at a time when Hawaiians are already under a continued struggle to survive."

Representative Halford rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition to the Hawaii Long-term Care Financing measure.

"I've been a supporter of long-term care for the entire time I've been in this Legislature and have supported previous thoughtful versions of long-term care. And I have been interested in looking at a whole variety of ways to achieve this apparently difficult thing.

"Mr. Speaker, this bill is a failure. This bill failed to deliver long-term care. It is now a mini, insufficient bill, with no funding and it allows for only one direction. It looks for only one solution to long-term care and that is a massive tax increase on the people of the State of Hawaii. Mr. Speaker, I believe that every possible proposal should be on the table for us to achieve this goal that has outwitted Hawaii's government for many years. For us to pass a bill..."

Representative Souki rose to a point of order, stating:

"Mr. Speaker, there are two gentlemen, two colleagues of ours who are standing up and talking to other members while the good Representative is speaking. I think they're out of order."

The Chair addressed Representatives Whalen and Rath, stating:

"Representative Whalen, will you please take your seat in having some proper decorum at this time. Representative Rath. Please proceed, Representative Halford."

Representative Halford continued, stating:

"Thank you, Mr. Speaker. The point that I am driving at is that we need every possible tool in our toolkit to solve the long-term care problem that we have. And this bill just narrowly goes after only one of the possibilities, one of the opportunities for us to achieve long-term care. And I see this bill as damaging the possibilities to have constructive long-term care because it is so narrowly focused.

"Finally in conclusion Mr. Speaker, this bill is a failure because it doesn't provide long-term care. This Legislature failed to provide any meaningful long-term care for the citizens of the State of Hawaii. Thank you."

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'd like to speak in strong support of the measure and I think I need to clear the air on this measure. This measure is actually an amended version of the Long Term Care Financing Act. Most of the original language was removed. It now calls for the Executive Office on Aging to convene a summit, although in the previous bill we've charged a board of trustees to come up with a financing act.

"I think this measure will move to allow for citizen participation and to bring together private and public organizations, including state, county and community organizations to collaborate to identify the types and quality of services, the service delivery system and service delivery policies that the board will be working on. So I think this is a good bill. It will work well. It will allow for citizens to have their say no matter what financing mechanism is chosen. It should be the will of the people. So hopefully this will allow

for that and I hope the members will support this measure. Thank you, Mr. Speaker."

Representative Stonebraker rose to speak in opposition to the measure, stating:

"I rise in opposition to the bill and I was disappointed to hear that the measure that we were looking at Mr. Speaker, on tax credits for long-term care, died. It was an option or an opportunity to institute something that would help the needs of our older people in Hawaii.

"There are a number of options to look at when it comes to long-term care. There is the option of requesting that health insurance companies would convert life insurance to end of life insurance to cover long-term care. There is the tax credit. There is a combination of both. There is the option of requesting Medicare to cover it. There is even an option of looking at the 'buying power' of the State, which we did in something like the Hawaii Rx program. There are so many options to this, and yet the Executive Office on Aging continues to persist. And we already know what they think.

"So what we are doing with this bill is we're asking to take \$40,000 to ask an agency something we already know their opinion on because they've lobbied so hard on this measure. As a matter of fact, if you look at the number of times this bill has come up, it is half a dozen times. This bill is a 'die hard' bill. It will not die. As a matter of fact, we passed two long-term care Acts this Session. Today will be the second with this one. I wish it wasn't, but I have the feeling that it's going to pass.

"The problem is that they're going to propose something like they've proposed in the past. The \$10 tax, maybe more, maybe less. We're not sure. But we know that this is the direction that they're going to go. So we are paying \$40,000 to a government agency to ask that government agency something that they've already told us a half a dozen times. Let's tax the people. I think we should 'wake up and smell the coffee' here. They're just going to request that we fund this thing through taxes.

"Now I grieve when I think about passing a measure that taxes my children, and my children's children. I don't have those yet but in a few years, maybe I will. Well the proposal in the past was for \$10 a month. We know this. It didn't pass, but we're going to ask ourselves if we really want to go ahead and do this again. Next year it increases by 5% a year. When my daughter who is one year old, gets to be 75, that \$10 a month will be \$400 a month. How can I stand here today and say I support a bill that will charge my children \$400 a month when they need that money to take care of themselves in their old age. I can't do it.

"And what kind of long-term care will it provide? The suggestion that we've had in the past is that it would cover 365 days. That is not long-term care. That does nothing. It does very little, and yet it burdens the people of this State. There are so many other options, so many other proposals that are on the table, and we've killed all of them, except for two. To ask the Executive Office on Aging to tell us what they think already, at a price tag of \$40,000, I can't support this."

Representative Gomes rose in opposition to the measure and asked that the remarks of Representative Halford be entered in the Journal as his own, and the Chair, "so ordered." (By reference only.)

Representative Gomes continued, stating:

"Again, just similar comments with the speaker from Hawaii Kai. This bill looks like sort of a rehash of a group that's

already been out there on several occasions who have basically developed this plan. And their mission will be to advance this plan. But I don't think we need another advocacy crew for this plan. We need to go back and look at all the alternatives, seriously, and bring people to the table for some serious discussion, including the long-term care insurance industry and others that are involved on the private sector side. So I oppose this. Thank you."

Representative Moses rose to speak in opposition to the measure and asked that the remarks of Representatives Halford and Stonebraker be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Moses continued, stating:

"This bill is nothing more and nothing less than a tax measure. It doesn't call for any taxes now, but it says and it refers back in the bill to the Long Term Care Financing Act. And it says in the bill that the board of trustees is charged with the responsibility of designing a tax-based financing system. There is no doubt about it, Mr. Speaker. This Act is a companion measure, the purpose of which is to convene a summit to bring together private and public organizations basically to decide how and what to spend the money on. But it is based on a tax-based system. This bill is a tax increase that will be back before us next year to vote on, and I vote no."

Representative Arakaki rose to a point of order, stating:

"Mr. Speaker, point of order. I'd like to request that the previous speaker point out what language in this bill references a tax?"

The Chair then made a clarification, stating:

"Representative Arakaki, I believe you should rise on a point of inquiry or a point of question to the previous speaker."

Representative Arakaki responded, stating:

"I stand corrected. I'll stand on a point of inquiry."

At 2:42 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:49 o'clock p.m.

The Chair addressed the Body, stating:

"I believe one of our colleagues asked the Chair a question and I hope the colleague, was it Representative Moses that posed the question? Excuse me. Representative Arakaki posed a question to Representative Moses. So I hope your question was answered or your inquiry was answered."

Representative Arakaki rose to respond, stating:

"Mr. Speaker, I do understand the concern and I just wanted to clarify once again if I may. Because the bill was changed, the language does reflect a relationship back to the original bill which is being referred to in the previous H.B. 2638. However it was not the Executive Office on Aging who proposed this Conference Draft. It was the advocates who came to say that if we are going to be looking at financing a long-term care system we need to look at developing a system itself so that we know what should be funded.

"I think this is a way to invite people into the process to identify again, the system of care, the delivery system and the policies. Once that is determined, they will be passing it on to

the board of trustees that will be formulated under H.B. 2638, and at that point they will determine how this system needs to be funded.

"Although it is suggested that it be tax-based, it is still up to the board to decide what kind of proposal they want to present to us in the next legislative Session. And I hope that is made clear. Thank you."

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I wasn't going to speak on this measure today because I think I've given many speeches supporting long-term care. But I think that we've had a lot of issues discussed during this Session, but probably there is not one issue that is more important than the issue of the aging of our society, not only across the United States, but in Hawaii. It is a real problem and I think we really are in denial about it.

"A recent study by the GAO, which I think many of you received, showed that in addition to private insurance, that a system of social insurance for long-term care is almost inevitable in the United States. We should really be proud of what we're doing in Hawaii. When I had attended national conferences and I talked about some of our proposals for long-term care in Hawaii, people are really impressed. They sit up and take notice because most states are really in denial about long-term care. We should be proud of what we've done here and that we are really addressing the issue. We should be proud of our Chair. We should be proud of the people in the Executive Office of Aging for the attention that they've given to this issue. We should be proud of the people in the community groups who spent much, much time, looking at this issue.

"We really need to go forward on the issue of long-term care and it is sad to think that really there is an appalling level of ignorance about our needs for long-term care. So I'd just like to say that I support this bill strongly. This will bring the community together to discuss the problems and to look at it from various aspects, not only the financial aspect. We need to take action and we need to take it soon. Thank you."

Representative Moses rose to respond, stating:

"Thank you, Mr. Speaker. I am rising for the second time in opposition. I am not ignorant on the matter of long-term care. I think it is something we desperately need and people should be involved with finding solutions. However, this group is formed solely to find a tax-based solution. It doesn't say that maybe people will donate, or let's get some private industry in here. It says it is for a tax-based system. This is a tax we are voting for, T-A-X, tax. Thank you, Mr. Speaker."

Representative Souki rose to declare a possible conflict of interest, stating:

"Yes Mr. Speaker, thank you very much. Mr. Speaker I wish to declare a possible conflict of interest. I am past 65 years old," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and S.B. No. 2416, SD 2, HD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT," passed Final Reading by a vote of 32 ayes to 14 noes, with Representatives Bukoski, Davis, Djou, Gomes, Halford, Jaffe, Leong, Meyer, Moses, Ontai, Rath, Stonebraker, Thielen and Whalen voting no, and with Representatives Ahu Ilsa, Chang, Hamakawa, Hiraki and Ito being excused.

The Chair directed the Clerk to note that S.B. No. 2416, SD 2, HD 2, CD 2, passed Final Reading at 3:55 p.m.

S.B. No. 2179, SD 2, HD 1, CD 2:

Representative M. Oshiro moved that S.B. No. 2179, SD 2, HD 1, CD 2, pass Final Reading, seconded by Representative Lee.

Representative Djou rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am rising in opposition to this measure. Mr. Speaker, I know all of us would like to see lower gas prices. This bill however is not the means to do it. I'd like to explain several reasons why I am standing in opposition to this bill and would like to encourage all members of this Body to vote against this particular measure.

"First and foremost as a statement of general economics, price controls are not an effective means of regulation. Price controls do not work, and that is exactly what this bill is doing. It is putting price caps upon the price of gasoline. It is trying to interfere in the marketplace and I believe ultimately, it will be ineffective. But I'd also like to explain my opposition in detail to the specifics of this particular bill.

"When regulation is necessary, when we actually do need regulation, regulation is most effective when it is narrow and clearly defined. Unfortunately Mr. Speaker, this particular bill is neither. It is not narrow and it is not clearly defined. This proposed bill is putting price caps not just on the wholesale prices of gasoline, but also upon the retail prices. It doesn't have a simple formula but instead a complex formula that has different prices for Oahu as opposed to the Neighbor Islands.

"Furthermore Mr. Speaker, the regulatory body who is going to be responsible for regulating the price of gasoline, the Public Utilities Commission, have themselves admitted that they do not have any idea how to properly enforce these price caps. No other state in the nation, none of the other 49 states' public utilities commissions regulate the price of gasoline. We are trying to embark on a massive new regulatory scheme with very little guidance for a very broad law. And unfortunately Mr. Speaker, I believe this is going to meet with disaster.

"Mr. Speaker, it is folly to believe that this gas cap is not going to have any affect. I realize the effective date has been put out two years in the future. And a number of proponents feel that this is a flawed bill, but perhaps in two years we can fix that. But this will have some very real and direct impacts immediately. Anybody who is thinking about investing in gasoline as gasoline retailer or dealer in the State of Hawaii will be impacted by this bill. This bill will put a cloud upon their future investments. Any current, existing dealer or retailer in the State of Hawaii, who has a lease coming up or is considering whether or not to stay in business, this bill will place a cloud upon them it will discourage any new investments and will discourage those who are currently in the business from staying in the business.

"What does this mean? This means this particular measure has all the bad things about regulation and none of the good. We are going to decrease competition. We are going to decrease the amount of retailers here in the business. But if you are a proponent and believe cap gas price are good, we are not going to get it for at least a couple more years. We are getting all of the bad and none of the good, and for these reasons Mr. Speaker, I believe that this particular measure is the wrong direction to take our public policy.

"If we truly want to be reducing the gasoline prices in the State, the single most effective means still continues to be eliminating or reducing the amount of tax that our State places upon a gallon of gas. Hawaii still has the most, the highest tax per gallon of gasoline in our nation. Additional regulations and interference in the marketplace are not going to work. It is going to cause businesses to go under and offer no relief for the consumers of the State of Hawaii. And for these reasons, I strongly urge all the members of this Body to oppose this legislation. Thank you."

Representative Morita rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of this bill. I find it disingenuous that a certain oil company has been 'hiding behind the skirts' of some gasoline dealers in trying to defeat this bill. I am confused by the opposition by these gasoline dealers because these people have been hard-pressed to compete not only against oil companies, to the establishment of company operated stations, but also against jobbers, especially those with 'card lock' systems.

"Whether we pass this bill or not, the truth of the matter is gasoline price caps have already been established for the dealers by the oil companies. The market has been skewed with the entry of company operated stations controlling the price of gasoline. Dealers are bound by the wholesale prices they pay the oil companies and the retail prices charged by the oil company operated station. Is that a free market?

"What this bill proposes to do is to 'de-link' or 'de-couple' the wholesaler, jobber and retail operations so profits cannot be hidden up and down the chain. What this bill attempts to do is to make the gasoline pricing as transparent as possible to benefit the consumer. Yes, this is a complex issue. It is an issue that should not be put off, but placed firmly on the 'front burner' for the next legislative Session, especially because of its economic impacts throughout the State. Something is inherently wrong with gasoline pricing and this bill will force everyone to the table to delve deep into the problem to see where the excessive profits are being made.

"Dr. Seiji Naya, the head of DBEDT, in his letter of support for the bill states:

Normally, I would not agree that the State should intervene in market pricing. It has become very clear to me over the past several months however that the market for gasoline prices in Hawaii is not functioning as it should and government action is necessary as a matter of public policy. I am in favor of the strategy that will allow business and consumer gasoline customers to pay reasonable prices at the pump while providing appropriate margins for sellers.

The objective index-based formula in S.B. 2179 will allow the PUC to calculate the wholesale and retail prices that are fair to all and ensure a continuing supply of the mix of petroleum products needed in Hawaii. I understand the concern expressed by some of the remotely located constituents. I do believe that our continuing analysis will help us take the circumstances into account as we refine the price adjustments necessary for small volume stations and local jobbers.

"Hawaii may be a little ahead of the curve on this issue, but by no means are we alone. In 28 states, the wholesale market is described as a tight oligopoly. And you know, I guess it was five or six years ago when the Chair of the Committee on Energy and Environmental Protection at that time, the Representative from Moiliili, pointed out these problems to us. Again she was a little ahead of our time, but I think right now

the findings of the U.S. Senate Permanent Committee on Investigations is running parallel to information disclosed in recent court documents in Hawaii's gasoline case. And I want to quote from this report.

A high degree of vertical integration between gasoline refiners and marketers leads to a number of anti-competitive results including higher wholesale and higher retail prices. In markets in which there are few independent retailers, not much gasoline will be bought at a wholesale price lower than the wholesale prices set by the integrated refiners. Similarly in markets in which there are few independent refiners, there will not be much wholesale gasoline sold at a price lower than the wholesale price set by the integrated refiner. Integrated refiner retailers have little incentive to sell to other retailers at low prices since they will not want to undercut their own retailers."

Representative Suzuki rose to yield his time, and the Chair "so ordered."

Representative Morita continued, stating:

"Thank you. Other findings in this Senate investigation go on to say neither wholesale nor retail prices for gasoline are established on a 'cost plus profit' basis. The wholesale price a refiner can obtain refined gasoline is determined largely by the factors influencing the then current supply and demand situation in the wholesale market, including the market's outlook for the future. Competitors' prices are considered similarly. The price a retailer will charge for gasoline on any given day will not be equal to the cost to manufacture, transport and sell the gasoline at the station with a reasonable profit. Rather the retail price will be set based upon the prevailing market conditions including the retail prices of nearby competitors.

"And lastly, especially with the concern by the dealers, this is most applicable. Refiners generally set wholesale prices of gasoline they directly deliver to their dealers, which is called the 'dealer tank wagon price,' by calculating an appropriate competitive retail price for the dealer. Although retail prices fluctuate, the dealers' margin stays fixed. In a number of cases, dealers have reported that when they attempt to obtain a greater margin by increasing their retail prices, the refiner increases the dealer tank wagon price by a commensurate amount. As the retail price rises and falls, it is the refiner rather than the dealer that receives the profit or the loss.

"In a recent newspaper article, a Senate opponent was quoted to say that this bill panders to the beleaguered consumer. Well this Representative would rather pander to the beleaguered consumer, which includes many businesses, rather than the 'kowtow' to oil companies and their current pricing practices. We need to move this bill forward. There is a lot of work to be done. Yes, there are some adjustments that need to be made, but again, what the findings in the recent court case that has been settled, as well as what is coming out in Senate investigations show that we need to do something, and we need to do it now. Thank you."

Representative Rath rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I speak in qualified support. Mr. Speaker, I am one of those people whom my political opponents and my political friends both describe as being, 'just a little right of Attila the Hun.' I guess that is probably true, so it may seem a little a strange that I stand up here in favor of a bill that regulates an industry.

"I bring to this, not the expertise of a lawyer but rather the expertise of a businessperson. I think we ought to take a step back and take a look at what has happened in Hawaii. We have a very, very tiny market as we've talked about before. The one thing we don't have in the oil business here, and we can't have, is a free market in competition. There is no competition in the oil industry in Hawaii on the refining side. Let me state that there never will be. I mean, not never never, but at least in our lifetime we are not going to see competition. Nobody is going to come in here and build a refinery because it is going to cost a half billion dollars and you have to jump through a lot of hoops. The cost of operation with a new refinery will be far above the existing ones. We already have excess refinery capability. Additionally, nobody is going to bring fuel in its processed form from the West Coast because they have deals with other oil companies such as Chevron there, and they're not going to put the large markets at risk on the mainland to feed a small 1.3 million market.

"So something occurred and we've thought, many of us, for decades that we were getting gouged. The average consumer was getting gouged by the oil companies, and that is was artificially hard. We've heard that it cost more here, and there are some problems that you don't understand. We heard all kinds of things from the oil companies that tried to explain away why are the prices were excessively high. Well then the lawsuit came and the discovery allowed us to look inside. All of a sudden that story changed. The new story was it is an oligopoly, and we charge the prices because we can get away with it. Well there is no 'smoking gun' for price-fixing. I mean, we couldn't actually find any evidence that, you know, memos or whatever, that set the prices. But not surprisingly, the prices were excessive and high. So once that lawsuit happened, it is obvious to anybody once you realize you are being gouged, once you realize that you've been lied to basically, about the reasons for the high prices, and they are just doing it because they can get away with it, something is going to happen. Now whether it is this bill, or an action in the future, or something else, it was obvious to everybody that, where is the consumer going to go? They're not paying what the market will bear. They're paying what they have to bear. Not what the market will bear, but what they're made to bear by a non-competitive, impossible to compete, oil market. So the original bill, which was just to cap wholesale prices that moved out of here, got altered into this. I want to talk about the reality of what's probably going to happen.

"If I was a CEO of let's say, Chevron and there was a threat of a lawsuit, I am not going to voluntary cap my prices. I am not going to change my way of business. I might lower them for a little while to appease the public. But the minute the situation is over, I am going to raise them right back up. Additionally, just because there is a threat of this kind of legislation passing, as a CEO of an oil company, I have a fiduciary responsibility to my stockholders. And my responsibility is to ensure ongoing and high profits to the maximum amount I can, for as long as I possibly can. And therefore I am not going to impose any self-limited cap on the prices that I charge. However, once the Governor puts his signature to that, the oil companies are in deep trouble because now you have a state of the United States of America that has regulated oil companies.

"You know what I'd do if I was CEO? And let me make this prediction. I'll play 'Karnac the Magnificent' for a second. I'd predict that just like many other industries in the United States that have been faced with regulations, that have been faced with some kind of control, that they have decided among themselves that we will adhere to a self-imposed cap because they know it is better to regulate themselves than to let us do it, because we'll screw it up. And I believe that once this is signed into law that the oil companies won't fix prices, but

they'll all agree to set a cap such as was inculcated in the first bill, which was like the price of a barrel crude times .035. I think they will voluntarily come and do that and cause this bill to be repealed because of that, because they don't want to have one state and the domino effect of this happening in other states or cities or whatever. They don't want that to happen and they don't want to go to court and risk the possibility of losing either. Because they could lose real big.

"If you check the paper lately, they are doing the same thing, looking into oil prices and market manipulation in Washington D.C., so these guys are looking at a little bit of trouble. Nobody in this House or in the Senate is looking to hurt the dealers. They're not looking to hurt small business. And that is just not going to happen. If that was going to happen, this Body, Democrats and Republicans, and the Body across the way would step in and stop it. And you know that would happen, and I know that would happen. We're not going to let our businesspeople in our districts and the suppliers of a product, necessary product, and service go down the tubes because of some action we took here. That is a fallacy perpetrated by the oil companies to scare people. I don't like regulation, and in my heart of hearts I hope that I am coming back to repeal..."

Representative Fox rose to a point of order, stating:

"Point of order, Mr. Speaker. The speaker's time is expired."

The Chair addressed Representative Halford, stating:

"Representative Halford, will you yield your time? No?"

Representative McDermott rose to yield his time, and the Chair "so ordered."

Representative Rath continued, stating:

"Thank you. Well now I've got another five minutes so I can go on. Thank you. I was just about to sit down.

"What I think really is going to happen here is I think the oil companies are going to look at this as reasonable business people. They now are not breaching their fiduciary responsibilities to their stockholders by imposing a self-cap. And I think they'll do that. And if they do that I think this Body will come back and say this is no longer necessary, because they really don't want this to become something that spreads across the United States or gets a foothold, and I really, truly believe that, that is the real solution.

"The real solution is to motivate them, highly motivate them, to self-impose a cap, and they could actually self-impose that cap just in Hawaii because of this oligopoly situation. And in my heart of hearts, I hope that's what really happens. I hope that the oil industry recognizes the unique situation here. They've already made a lot of profits. You know, they've tucked that away in the bank and I just want you to think for a second, everybody here.

"Supposing for a moment we are not taking the hundreds and hundreds of millions of dollars in profits, excess profits that the oil companies are making, and shipping them off shore. If we reduce the price of gas, we reduce the cost of living for our citizens. Now if I could get your guys to go along with a decrease in taxes we'd be home free. Thank you very much."

Representative Ontai rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. I thought I heard the previous speaker say something about voluntarily setting

together to cap. That sounds kind like collusion. It is probably against the law.

"This thing about gouging is kind of, I guess it's a useful term now, if we want to impose these price caps. I think when we try to look at the market, and anybody who gets into business. And sure we want to do this objective index-based formula. I think anybody in business would know that objectivity is only one of the criteria with which you can make money or stay in business.

"You also need subjectivity, and that is what we allow the private companies to do. It is just as important to have this subjectivity. But trying to set this formula from this building here, or whatever building is going to do this calculation, I think is crazy, to try to set this formula for such a diverse state. We know gas prices vary widely across our State, more so than across the United States, across the continental United States. So trying to set a formula that will account for the diversity, the different market conditions, the varying number of times and volume that each of these stations try to do, I think is crazy Mr. Speaker.

"Alternative fuels. How about that for an incentive? Right now, we find that we have to try to pass laws to make people look alternative fuels. I think the best incentive for looking at alternative fuels is to allow the price of gasoline to ride wherever they go. When they get a little too high, like they did back in the 60s and 70s, well in the 70's we had lots of incentives for people to invest in and look at alternative fuels.

"Another point that I heard last Thursday was in this amended version, we are looking at extending the date. It allows another year for this cloud, or this ax, or this hammer of fear, or anticipation of this law, this gas cap coming into effect. I don't think I like this Mr. Speaker. This fear-based statesmanship is unacceptable.

"Just for a matter of record, I just want to review some of our taxes that we do pay. A previous speaker had alluded to it and I want to give some specifics. These are, as far as I know, flat rates. The federal taxes are 18.3 cents. The State taxes, minus the GET, is about 16.1 cents. With the GET, at a typical cost, the State's take is around 21 cents. Then the City and County of Honolulu liquid fuel tax is 16.5 cents. Altogether, on a typical tank, I guess yesterday I filled up at a \$1.57.9 per gallon. At one of these stations, about 55 cents of that is tax, Mr. Speaker. What I want to ask our Body Mr. Speaker, before we try to impose this gas cap, I think I want to ask our colleagues Mr. Speaker, to lead by example and let's cut taxes and lead by example before we even consider capping the gas tax. Thank you, Mr. Speaker."

Representative Thielen rose to speak in opposition to the measure, stating:

"Mr. Speaker, I am rising to speak against the gas cap. I have three different e-mails that I felt were very interesting. Different perspectives. One is from a ninth grade student, one is from a businessman and then one is from an environmental biologist.

"The ninth grade student is very perceptive. She is the future of our State. And she states that, and I quote:

Free enterprise should remain free. The government is beginning to play a major part in our lives and businesses and this is not a good thing. Why are we only singling out gasoline prices? Gas may be more expensive here than in other parts of the nation but have we stopped to look at the real estate prices? I have heard someone say that recently their sister had bought a good size house on the mainland the

price was around \$250,000. In Hawaii, one couldn't find a deal like this.

My point is that while gas prices are high, so are real estate prices, and if I might say so, housing is more of a necessity than gas is. Why is the Legislature of Hawaii focusing solely on gasoline? Why not set a price cap on real estate and milk while you're at it? By passing this bill, you are jeopardizing the existence of many privately owned gas stations in Hawaii. The government is not in a position to be putting its people out of business.

"And then she concludes:

Has anyone stopped to look at how much tax is on each gallon of gas? Fifty-five cents on every gallon goes to the State, county and federal government.

"I would say that our schools are doing a good job Mr. Speaker, because she's a very perceptive ninth grade student and I think we ought to listen to her. She is Hawaii's future.

"The businessman says:

As a businessman, we are always in need of financing or refinancing for our businesses for one reason or another. I would suspect that this unknown economic cloud on profitability and question hanging over this industry if this bill passes, especially over the independent jobbers and independent service station owners, that the lenders will frown and pass on any loans until they know for certain the loan can be serviced adequately.

"This bill Mr. Speaker, puts probably a two and a half year moratorium on being able to obtain this financing. This businessman continues:

As it is, with all the open-ended sections, PUC, DBEDT, floating OPIS, etc., I would bet you a dime the banks are going to frown on making any loans to people in this industry until they know for certain the economic impact. This can be fatal to a small businessman. I know first hand.

It is a shame. We have, for the first time, so much court data, documentation and facts available to us for the first time to structure an intelligent piece of legislation to end the abuse. But we politically rush and pass this last minute, questionable, anti-business bill. This is unforgivable.

"Mr. Speaker, the environmental biologist takes a different perspective on this. One that was touched somewhat by my colleague, our magnificent chess player, a few minutes ago. He says, 'While it seems the impetus of the gas cap is to get back at the companies who have been ripping us off, the cap does not address what is really important. We do see our dependence on foreign oil.' He goes on to talk about mandating increased fuel efficiency in cars. My colleague talked about alternative sources of fuel, including ethanol, which the State has tried to start. But, he continues, 'Increased fuel efficiency in cars. It will be cheaper for consumers in the long run. And the increased gas mileage means paying less at the pump. Secondly, it is better for the environment, reduces emissions such as carbon dioxide, a green house gas associated with climate change, reduces emissions harmful to human health such as carbon monoxide particulates and nitrooxide...'"

The Chair interjected, stating:

"Representative Thielen. Would Representative Moses yield his five minutes?"

Representative Leong rose to yield her time and the Chair "so ordered."

Representative Thielen continued, stating:

"Thank you, Representative Leong. He goes on:

We could, instead of this gas cap, be encouraging the development of hybrid vehicles using alternative fuels such as hydrogen. This would reduce dependence on foreign oil and reduce environmental impacts associated with drilling and extracting oil from new sources.

"And Mr. Speaker, as an aside, we all know that Henry Ford's first cars ran on hemp seed oil, which again was a superior product grown from the soil by the farmers, and harvested by the agricultural workers, and then it fueled the cars.

"The biologist continues Mr. Speaker:

If we're going to regulate gas prices, let's regulate fuel efficiency in cars to make the air we breathe cleaner, and our dependence on foreign oil less. Consumers will benefit as well, and ultimately spend less time and money at the pump.

"I would think that this Body should look at other ways to deal with this issue and look at it from a more broader perspective, a more global perspective. If we need to weigh in on this issue, we could weigh in with urging our Congressional delegation to take action on the federal level. Take a look at how many SUVs are out there on the roads Mr. Speaker, and how much gas that they are using and how much pollution that they are causing. It is not just a simple gas cap issue. We are going after the small business people, and we are going to do them much harm by passing this bill. Thank you."

Representative Fox rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I think we are familiar with the story of the gentleman who killed both his parents and then threw himself at the mercy of the court because he was an orphan. Similarly in this situation I believe we have a matter where the problem has been created by the people who now propose this solution. The problem is one of restricted competition, of high gas prices. It is affected first, as previous speakers have correctly referred to, by the fact that we pay the highest gas taxes in the country.

"We also regulate shipping into Hawaii. We regulate and limit the number of carriers that can bring ships to Hawaii. We regulate shipping between the islands. We regulate the number of gas companies, and gas stations that a company can own. We regulate where these gas stations can be placed and dictate that they can't be placed too close to each other. We regulate how a gas station can be built and how it can be torn down. And with a controlled market, controlled by our regulations, we cry that it doesn't work and that our solution is monopoly controls. And we use the same kind of monopoly controls that we used in regulating natural monopolies like electricity, natural gas, and telephone. We have the PUC set the rates.

"Now a previous speaker used the word 'oligopoly.' The speaker used the word, I guess it is kind of an ugly word. It doesn't have a really great sound to it. Mr. Speaker, oligopolies are totally legal. Our car industry is an oligopoly, our airline industry is basically an oligopoly. Hawaii is absolutely filled with oligopolies. Our banks, our department stores, our supermarkets they're all oligopolies. It's a normal way of economic life. It is not perfect competition. It is not little small businesses all competing against each other. But it is a

form of economic competition. Basically what we have in the fuel market in Hawaii is an oligopoly. And into this oligopoly has been introduced something that ought to just shut off all debate today and just have us go home.

"Costco is going to change the market for gasoline in Hawaii. It is moving to Iwilei and when that opens up in the heavily populated urban Honolulu area, it is going to change, transform the whole market for gasoline in Hawaii, and why we have a debate that sort of ignores the existence of Costco and its presence in this market is beyond me.

"Mr. Speaker, the best statement as to how bad price controls work is to the way rent control operates in many cities where many warm-hearted wonderful people have thought that on behalf of the consumer they ought to regulate the rate of rent and basically kill the rental market in each city where rent controls are imposed. Do we want to do the same thing for gasoline in Hawaii? I think not. Thank you, Mr. Speaker."

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. It is very discouraging to come to this last day in the Legislature after the high hopes we had on Opening Day. After the terrible events of 9/11 and our Special Session and all the talk of what we must do is stimulate our economy, find jobs for our people, and get things humming again. And now that we are on the last day of the Legislature, looking at as the banner things that we're passing, total regulation of the petroleum industry and the regulation of healthcare. So the State that has a well-deserved reputation for being a very over-regulated society continues down that same dead end road. And that to me is very, very discouraging.

"Here we are. This bill will going to cap the price of gasoline at the wholesale level, the retail level, and on top of that, we are going to tell land owners how much they can charge for rent to gas stations. This is going to have a very deleterious effect on our economy. This amendment has extended the date of that actually occurring out to the year 2004. But what do you think is going to happen to everybody that owns a service station and the wholesalers? If they are looking for a line of credit, they're going to be hard pressed to find a banker that wants to do that. The retail outlets, if they want to sell, under this cloud, nobody is going to want to buy. If they have a certain number, they are not going to want to expand. So they are not going to be hiring any new people. They are not going to make any much-needed improvements. Because why would they want to go into further debt and improve their stations only to be looking down the road at having somebody, the government, tell them what they can charge for a gallon of gas?

"I am sure I wasn't the only one that got scores of letters from small gas stations. The majority of them are from Neighbor Islands, and they have a lot of reason to worry. In one letter here, which was from Cost Plus Gas, he says, 'I have too much unpaid mortgages that I cannot personally guarantee. Should this bill pass, I will lose everything that I have worked so hard for. How can I possibly pay off loans?'

"One of the other problems the small independent gas stations, and not all of the letters I have are from company-owned stores. They're not from Tesoro stations or Chevron stations. It may not be known by all the members in this Chamber Mr. Speaker, but most of these small gas stations had to upgrade their tanks in 1998. If they upgraded their steel tanks with fiberglass, they were looking at about a \$150,000. If they did the cheaper shot and lined their gas tanks, they went into debt for about \$50,000 to \$60,000. This is an underlying cost. What the gas cap does is it totally ignores the underlying

costs. It treats everybody the same. Somebody who has very low cost won't affect that much. But those that have very large mortgages, like this retailer said, they are going to be stuck.

"The other thing it does is any supplier who perhaps was going to make upgrades to an independent gas station, he is not going to want to do that now, because he doesn't know if he is going to be in business in two years from now. So as my colleague from Waikiki said, we have seen what price fixing does. Rent controls. Rent control was a total bust and I don't know why we think this should solve any of our solutions."

Representative Auwae rose to yield her time, and the Chair, "so ordered."

Representative Meyer continued, stating:

"Thank you, Representative Auwae. The final thing I want to bring to the attention of this Body is that we continually, conveniently, don't acknowledge the part the Legislature has played in making Hawaii a much less competitive market. You know, we talk about the attorney for the State who said that the market is busted, it's broken in Hawaii. Well we in this Body and those that have stood here before us have played a very large part in that. I just want to go through some of the things that have happened.

"In 1991, the Legislature passed a two-year moratorium on the operation of company stations. They simply would not allow a BHP, now Tesoro, or Chevron to buy anymore stations. In 1993, they extended the moratorium for two more years. In 1995, another two years. Six years where probably the people that have the most wherewithal, could not build any more stations.

"In 1997, BHP proposes and supports compromised divorcement legislation. That is when we passed divorcement. That is when we started telling people where they could own. Where they can't. Where they can build.

"Then, under the consent decree with Shell and Texaco, the Attorney General would not allow them to merge as one entity. BHP wanted to buy-out one of them. They wouldn't allow that. They'd become too strong. Well, we know what happened US Restaurant, which was not in the petroleum business. They bought up those Texaco stations. They went broke, and now those stations are sitting there. Do you think anybody is going to want to buy those stations with this law being passed today hanging over their heads? We can drive by those stations where we used to get our cars washed. It just looks like a ghost town, and I guess it will stay that way. This is just another example of a poor place to do business.

"In 1997, the State refuses to allow BHP to negotiate or to bid for a new lease at Honolulu Harbor for a BHP terminal. While there are other terminals there, we've got a third party that is willing to pay rent to the State of Hawaii and provide product down at the harbor. And we will not let them have the lease. They spent millions of dollars cleaning up the area of things that they didn't even do. Old pipes and oil leaks that were there on the property. They cleaned it up and we would not allow them to enter into a lease. Why don't we let the market have its way? Let's have as much competition as possible. Instead we stand in the way repeatedly.

"I certainly hope that those members in this Chamber who are wavering back and forth, if they can think of all these independent retail dealers. Think about this cloud hanging over their heads, and put themselves in that position. I hope they will rethink their 'aye with reservations' and have the strength to vote no. Thank you, Mr. Speaker."

Representative Halford rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am in favor of lower gas prices and I am against gouging by oil companies. And I've supported thoughtful versions of legislation to reduce gas prices in Hawaii. But Mr. Speaker, this bill is a failure. This bill fails to deliver lower gas prices. This useless bill is just for show. This is an electioneering bill that promises lower gas prices, but does not deliver lower gas prices, except maybe after the year 2004. If this bill were thoughtful and sincere, it would implement price reduction immediately.

"Also Mr. Speaker, just as a point of information. The entity that profits most from each gallon of gas sold in Hawaii is the State of Hawaii through high gas taxes. Thank you."

Representative Hiraki rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support, and as we debate this particular issue, it has been very informative to hear all the various issues being discussed. I can only urge our members to instead, look at the big picture of what we're trying to do, and the big picture is this. We are trying to find the long-term solution in being able to have affordable fair pricing of gasoline in Hawaii.

"I've heard during the discussion the issue of taxes. Someone mentioned the divorcement law, which was designed to help retail gasoline dealers. Talk about lease rent caps, also designed to help gasoline dealers. Costco. Someone talked about self-regulation. We talked about margins because margins are an important issue for the Neighbor Island retail gasoline dealers. We talked about the high prices of gasoline. But I think up to at least my 16 years here, the way that we've been able to address the issue of gasoline prices and also the survival of gasoline dealers, we've always done it in a piecemeal fashion. We kind of touched around the edges, tinkered with divorcement. We've fooled around with lease rent a little bit. But we haven't been able to help the gasoline dealers much. They still continue to go out of business because they are being squeezed. They are being squeezed by the big oil companies, to be honest.

"And so now we have this opportunity to finally looking at the big picture, finally bring all the parties together to talk about what are the long-term solutions for gasoline prices. By delaying the effective date for a couple of years and by allowing DBEDT to be fully funded to do research on the data available, that the process would be such that the companies, the dealers, the public, the AG, DBEDT, whoever else wants to be involved with the process, can finally sit at the table together and in good faith, and they can tell us exactly what is going on. We need that information. But unless we have this leverage or this sort of 'sword of Damocles' hanging, we won't ever have that opportunity again to bring the parties together.

"So what we would like members to focus on is to look at the big picture. This is an attempt. This bill maybe imperfect and I'll be the first one to say that we may have to come in to make adjustments. For example, some of the Neighbor Island retail dealers. Maybe we have to make some adjustments on the volume of gasoline, and that is easy to do. We can make that adjustment, but what we can't give up is this opportunity to finally, once and for all, resolve this issue. We need to find out, the public needs to find out, exactly how gasoline pricing is done in Hawaii. We need to do something that we haven't been able to even come close to accomplishing in my 16 years here. This is a golden opportunity. We may never have this opportunity again. And to this I say, members, seize the moment. Thank you."

At this time, Representative Bukoski called for the previous question.

The Chair addressed the Body, stating:

"The question has been called at this point in time. For those of you would like to submit written comments in the Journal, for or against, the Chair will entertain that at this point."

Representative Hale rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Hale's written remarks are as follows:

"Mr. Speaker, I rise to support S.B. 2179, CD 2 with very mixed feelings, and with very serious reservations. On one hand, I have heartfelt compassion and feeling for the position of the small gasoline retailers that oppose this bill. I believe that if this bill stands as it is drafted at present, at the end of 2004 it will force some of our rural stations to seriously consider closing. I also believe that the bill is seriously flawed in that it does not take into consideration the full impact of a price limit on retailers, which should have had a formula for volume plus price, not just price. I still maintain that using averages of what is reasonable is unfair to the Neighbor Islands for conditions in Honolulu unfairly impact averages. One price differential of \$.04 for all Neighbor Islands is not reasonable. Each of our counties is different and the Island of Hawaii is unique since it is almost twice as large as all the other islands put together.

"On the other hand, I also have compassion for the general public, particularly on our island since our gas prices are much too high. I blame the wholesalers and perhaps also the jobbers, but the main culprit is the refinery, which I understand sends back its excess gasoline to the mainland and sells it at their price. This is unconscionable. Why can't they sell it here at that same price? All because there is no regulation of their prices. We tried to solve this problem in HD 1, which only capped wholesale prices, but I was told by the Attorney General that this was unconstitutional. I still believe that we should have kept to this position and let higher courts decide unconstitutionality.

"Another aspect of this problem that greatly concerns me is the process by which this proposal is put before us. It violated House Rules of Procedures 16.5, which states, 'The authority of a conference committee shall be limited solely to resolving differences between the House and Senate versions of a bill or resolution. Accordingly, a conference committee shall not amend a bill or resolution by inserting into the bill or resolution any unrelated or new subject...'

"This is wrong. One Chair of the Conference Committee told me that it did have a public hearing on Wednesday, 4/24, but the notice was posted on 4/23 which violates another Rule that requires a 48 hour notice of hearings, except that an exception can be made with the approval of the Speaker. He could not assure me anyone came from the Big Island or that any of us really knew what the hearing was about. These tactics, in my opinion, are part of the reason the public is disgusted with politicians and government to the extent that less than 50% of the eligible voters go to the polls.

"The original S.B. 2179, HD 1, that passed the House was only a bill to have State agencies lead the way to getting us off fossil fuels by encouraging the use of renewable energy in all State facilities and capped the wholesale price of gasoline. When I realized the changes that were made to CD 1, to include retailers also, I studied the 61-page document and found it

confusing and convoluted and basically unfair to our island because it did not provide for consideration of the volume of gas sold. I believe that the only way to try to give the retail dealers who would suffer under this proposal a chance to get it changed was to extend the effective date to allow future legislatures to thoroughly analyze its effect with information provided by the oil companies and the DBEDT and study. Although I had proposed a 2005 date, I compromised on 2004 and because it was amended I felt obligated to support it. However, because of the aforementioned reasons, I asked that my vote be recorded 'with reservation' because it seriously needed changes.

"If I am fortunate enough to be reelected to serve in the next Legislature, I am committed to insist that full consideration be ensured that our retail dealers on the Big Island will not suffer economic hardship and I have been assured that my concerns will be addressed."

Representative Souki rose and stated:

"I don't wish to submit any remarks. I wish to speak against the bill."

The Chair responded, stating:

"Well the question has been called Representative Souki, so I am just..."

Representative Souki: "The question has been called but I don't think there was any second to it. I don't think there was any vote on it."

At this time, Representative Hiraki rose to second the motion to call for the previous question.

Speaker Say: "A second has been made."

Representative Souki: "Then I ask for the vote because I have not been given an opportunity to speak and I think I should be given an opportunity to speak on this matter."

At 4:42 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:51 o'clock p.m.

At this time the Chair addressed the Body, stating:

"The Senators have all left already. For all of you, I think the Senate might be efficient but we always save the best for the last. Okay members, at this time the Chair will recognize Representative Bukoski."

Representative Bukoski then withdrew his motion to call for the previous question, and Representative Hiraki withdrew his second.

The Chair then announced:

"Right now, the Chair will entertain two more speakers which will be Representative Souki and Representative Joe Gomes. This was the agreement among both Caucuses. You are allowed only five minutes with no additional five. Before you begin Representative Souki, the Chair will recognize Representative Yoshinaga."

Representative Yoshinaga rose in support of the measure and asked that her written remarks be entered in the Journal, and the Chair "so ordered."

Representative Yoshinaga's written remarks are as follows:

"Mr. Speaker, I rise to support SB 2179, SD2, HD1, CD2, and add cautionary comments that I hope will be noted by the House.

"I know we are all sensitive to the high costs of living in our State. And I know we are all anxious to address what appears to be an uncompetitive situation in the pricing of gasoline.

"I applaud and support the efforts my colleagues have made to find solutions to this issue.

"Nevertheless, I would like to point out that the process of legislation can sometimes lead to good intentions that are not crafted as well as we would like. I would still prefer to look at alternatives to increase competition such as public storage facilities.

"That's why I am relieved that the effective date of this proposal is July 2004 -- in effect giving us time to consider whether we need any more fine-tuning to best serve our constituents.

"Our citizens understand that the market for petroleum products in Hawaii is not a competitive one. We know that a majority of them want action, and want action sooner rather than later. Recognizing this urgent need, however, does not justify that we take hasty or poorly thought through measures -- at best we miss the objective, but even worse consequences are possible.

"The problem of excessively high gasoline prices is not new; it is more important to point out that it is the symptom of the problem, not the problem itself. The problem Hawaii faces is the exercise of market power by the two major Hawaii refiners. In past sessions, I have introduced measures to protect independent retail dealers and jobbers from the predatory behavior of oil companies -- because I feel the problem in Hawaii's oil markets are structural, both in terms of the lack of competition in the wholesale market and the effort by the two refiners to dominate retail marketing through company-owned and operated stations.

"I am concerned that the simple imposition of fixed caps setting maximum levels for wholesale and retail gasoline margins with Neighbor-Island differentials may not solve the problem, maybe even worsen it.

"For example, if oil companies cannot achieve a return on gasoline sales meeting their profit objectives, they may attempt to increase profits from small-scale buyers of diesel fuel or propane. This legislation offers such individuals and small businesses, no protection.

"In specifying fixed margin caps, we run the risk of having erected a shelter for oil company pricing -- sellers will now simply set prices to include the maximum cap value. If there is insufficient price competition without the caps, what incentive is there for oil companies to push down prices below the cap value? Through regulation, we may have partially assumed the role of Chevron, the dominant Hawaii gasoline seller, in defining market price levels.

"Fixed wholesale and retail margin caps bear no relation to the infrastructure investment of an oil supplier, nor provide incentive to replace or upgrade oil pipelines and petroleum terminals on Oahu and the Neighbor Islands. On the contrary, we may be creating a pricing system that incentivizes oil sellers to obtain incremental profit by cutting non-oil overhead costs,

rather than reduce product prices or increase investment to address a decaying petroleum distribution infrastructure.

"Fixed Neighbor Island differential values may work for relatively large markets such as Maui or the Big Island, but may not address the special needs of small markets which face significantly higher per unit distribution costs -- such as Lanai.

"In summary, I am concerned that the speed of decision-making has not allowed many segments of our islands sufficient opportunity for input, nor provided the Legislature with sufficient opportunity for analysis and reflection. Let us at least recognize that by this legislation we have made only a tentative first step towards addressing a serious, but very complex economic and social problem."

Representative Kawakami rose in opposition to the measure and asked that her written remarks be entered in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I rise to speak in opposition to SB 2179, SD2, HD1, CD2.

Mr. Speaker and colleagues, while I know the intent of SB 2179 is to protect Hawaii's consumers, I fear it may actually have unforeseen adverse effects.

"At this time when businesses are struggling, I do not think we need to make it harder for them to stay in business with such a measure at this time. We should not be risking driving businesses out of Hawaii and actually causing gas prices to rise. Instead we should be protecting businesses.

"Even though the prices on Neighbor Islands are more than the consumer pays on Oahu, these higher prices do not mean higher profits for these retailers. Gasoline retailers on the Neighbor Islands already face overhead costs that are much greater than the average. I fear that this proposed gas cap will have its greatest impact on these already struggling retailers.

"There are too many questions and too many unknowns. For these reasons, I cannot support this measure. Let us get all the particulars and issues ironed out before we try to take this direction. Thank you, Mr. Speaker."

Representative Souki then rose and stated:

"Mr. Speaker, I still haven't had an opportunity to speak yet."

The Chair responded, stating:

"You will be speaking right after everyone submits their written comments in the Journal."

Representative Souki: "I have never been in a situation like this, Mr. Speaker."

Speaker Say: "This is the first time. That is correct."

Representative Moses rose in opposition to the measure and asked that the remarks of Representatives Djou and Halford be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Marumoto rose to speak to a point of personal privilege, stating:

"Mr. Speaker, I would like to rise on a point of personal privilege. This morning in the Senate, I think one Senator spoke for one hour on the death with dignity bill, and I am

really resentful that we are not allowed our five minutes. But I will insert my comments, which are in strong in opposition to this socialistic measure. Thank you," and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"This bill is socialism at its best, maybe communism! Like the old Soviet Union, the State would set the price, for 'Big Brother knows best'. In order to control the price of gasoline, HB 2710 places the Hawaii petroleum industry under the dysfunctional Public Utilities Commission, an agency that usually operates at the blinding speed of molasses - cold molasses. Despite the fact that a gallon of gas, under the formula provided by this bill, would cost 10 cents more than it is on the street today ~ legislators are closing their minds, covering their ears, turning off their brains ~ and voting for this bill. Yes, they say, the formula is a problem, but we will just put off the implementation for another year or two. Then we can vote for it now, and run for office on our 'record' this November.

"Uh uh ~ that's a mistake. The 'one size fits all formula' does not fit big refineries, small refineries, oil companies without a refinery here, jobbers, company dealers, independent dealers, urban stations, rural stations. They will all suffer as a result of this legislation. And the only one who will benefit and laugh all the way to the bank is Costco. This bill is designed as punishment for big profits one company - Chevron - made in the early 90's. It is vindictiveness on the part of the State for losing its lawsuit against oil companies - the one that alleged price fixing.

"Yes, of course, we all want lower gas prices. But, know that this is an unrealistic, overly simplistic, governmental attempt at lowering the price of gasoline. But if we truly had the consumers' interest at heart, we would lower prices by cutting fuel taxes. At 55 cents a gallon, Hawaii's drivers pay the highest tax in the country. Perhaps that solution is too easy, too rational!

"Two days ago several representatives spoke against amending this bill to put off the effective date until 2004. The extension compounds the error. It adds a year on 'death row'. It prolongs the agony. It puts off all investment on improvements until 'judgment day'. Uncertainty is bad business. The good news is that it gives some oil companies more time to plan their exits. Then when they leave, Hawaii will have fewer gas stations and less competition and very likely higher prices. Real smart.

"Finally, I am upset that this bill is another plank in the Majority platform for the November elections. All the planks add up to more government and government control, less competition and less free market. Majority members will claim to represent consumers. Regulating gas prices, regulating health premiums, raising taxes, enacting two (not one) government prescription drug program - all supported by a bigger budget - will eventually increase government size. I say eventually, because none of these measures take effect right away. I don't think the voters will be fooled by ephemeral promises by politicians.

"The pleas from Neighbor Island and rural gas stations dealers that this bill would put them out of business has fallen on deaf ears. Heaven help us.

"One Committee Chairman assured an oil company employee that this bill wouldn't pass. Vote no and prove him right!"

Representative Leong rose in opposition to the measure and asked that the remarks of Representative Marumoto be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Pendleton rose to speak in support of the measure with reservations and asked that his written remarks be entered in the Journal, and the Chair "so ordered."

Representative Pendleton continued, stating:

"I'd also like to also incorporate by reference, the words of the gentlemen from Manoa made during Second Reading on this measure."

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on Senate Bill number 2179.

"The State of Hawaii has had some of the highest gas prices of any state in the Union. Because I stand for change rather than the status quo, because I will work to protect my constituents rather than leave them vulnerable to being gouged by gas companies, I vote for this bill.

"No it is not perfect. It needs to be modified. Hence the effective date. No one pretends it is the answer to all of our concerns regarding the petroleum industry locally.

"In the interim I know we will work on this bill and fix it. The Chair of CPC has assured me of this. I intend to play a role in fixing this bill.

"But I will not use the fact that this bill is imperfect as an excuse to vote no. Voting no on this measure is to endorse the status quo, is to say that all is well.

"Well, all is not well. There is trouble in paradise. Our constituents have been taken advantage of. And I intend to do all I can to fix the problem. I choose to be part of the solution rather than part of the oil industries cheering section.

"Prices have long been higher here than anywhere else. This is because they have used the excuse of our geographical isolation as cause to gouge our residents. Now if you don't believe this, look at the volatility of prices on the mainland. You don't see that sort of volatility. This is because they have a huge profit margin built in. They can afford to increase prices at a less steep level than other.

"By 'they' you know exactly who I mean. Is there any doubt about who dominates here? Is there any doubt that we as a state have been practically held hostage to one single petroleum company?

"Many say the taxes we levy as a state contribute to the high cost of fuel. Yes, that is true. Absolutely. Who would argue with the obvious?

"But that bill is not before us here. I would vote in favor of a bill to reduce gas taxes. Let me at it. I'll introduce it next session.

"But here we have a separate and distinct bill. It will cap prices. I am hoping that this bill will bring the parties to the table and we will end up with the private sector seeing it in their interests to play fair in this market.

"I am a strong advocate of protecting our State's consumers. It is unfair that the people of Hawaii are forced to make up the bulk of these companies' nationwide profits. I feel that the

time is right for this proposal to take effect. We cannot allow the State to continue with the status quo.

"Before I close, I want to again reiterate my agreement and concurrence with the remarks delivered by the Representative from Manoa on this gas cap bill on Second Reading.

"So for these reasons, Mr. Speaker, I support on this bill."

Representative Souki rose to speak in opposition to the measure, stating:

"Thank you very much, Mr. Speaker. I guess it is kind of a belated thanks. I am not quite sure yet, Mr. Speaker. First of all, I want to speak against this particular motion this bill.

"Mr. Speaker, I think this Legislature has set some kind of a record this year. If it passes, this bill will be the third regulation bill that we are passing in one Session. If you count prescription drugs, which I voted for, that would be four. That is quite a record in the number of regulation bills that we passed.

"Mr. Speaker, furthermore, I don't believe, that should this bill pass, that the gas companies are not going to take it to court and sue the State of Hawaii on the measure. And the result of that suit and the ability for them to stay and withstand this for many years is probably going to hurt the small dealers even more. It will result in more than two years of limbo. I don't believe they are going to sit down and just say, 'Okay, we accept this.' I think we've been kind of disingenuous with ourselves and with the community.

"Furthermore Mr. Speaker and members, the price of Hawaii gasoline is quite high, but if you look at the price of gas in the world market, in Japan, in Europe, it is four and five dollars a gallon. For all purposes, we have a bargain over here and yet we continue to guzzle as much gas as possible. I think some words were spoken to the effect that maybe we should look at alternative energy, and I am very surprised that those who favor alternative energy don't look at it as a means of providing fuel efficiency in the State of Hawaii. Maybe we should have a bill to not allow SUVs or any car that gets less than ten miles a gallon. They should not be on the road. Maybe we should have a bill like that also.

"My major concern is for the dealers, the small dealer. I believe that this bill is going to put a lot of them out of business. I know that there are dealers on Maui that sell less than 30,000 gallons a month. They are going to go out of business. There is no way they can go to a bank and ask them for some money to carry them over or to make improvements, or even for someone to buy their business. Nobody is going to want to buy this business with this hanging over their head. Yes, you say that we have until 2004, but it's a guess. We don't know what is going to happen in the future legislatures. They may come back and want to continue with what we have. In fact, from what I've been hearing, it is more than likely that they will continue with basically the same language. And you'll find the little service stations going out of business.

"Another thing is that this is probably going to drive the price of gasoline up, Mr. Speaker. It is only limited to regular gas, not to plus and premium. So a lot of these small service stations, not being able to make any money on the regular gas because of the price limitations, at 16 cents a gallon are going to restrict their sales to premium and to plus. In communities like in Hana and Haiku. I can only speak for Maui. I don't wish to speak for the other islands since they can speak for themselves. Where they have less than 20,000 to 30,000 gallons a month, they are going to be losing money from the first gallon of gas that they sell with this bill. So they are going

to have to restrict themselves to where they can make some money, and that is with the premium gas and with the plus. What it means is that the price of gasoline is going up. So members, ironically, as this is supposed to lower the price of gasoline, to some extent it is going to increase the price of gasoline.

"Another thing to bear in mind Mr. Speaker and members, is that this is for only regular gasoline. It doesn't have anything with diesel fuel or the fuel for airplanes. Now somebody is going to have to pick up the loss for the gasoline. So what they are going to be doing is they are going to pass this cost on to the airplane fuel and to diesel and to other forms of gas to make up the difference. It has a cause and effect.

"I really think this bill was done rather hastily, Mr. Speaker, towards the end of the Session. What we should do is just vote against this bill and next Session come back and review the issue and develop a more comprehensive bill. I just want to end Mr. Speaker, and this is not a personal affront to the Chairmen. I think they tried. I think they did a very good job, but I don't think this bill will serve any good for the people of the State of Hawaii."

Representative Gomes rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. And my thanks to my colleague from Maui for withdrawing his call for the question.

"Mr. Speaker, the proponents behind this bill are primarily the Attorney General and the Governor. I would note that the Attorney General is not an economist, not a labor expert, and not an expert on the oil industry or on the oil marketplace. This proposed legislation appeared on the 11th hour of this legislative Session with basically zero public scrutiny. And we are suppose to rely on the proponents who say with a wink, 'Trust us. This is what we need to fix our pricing problem. It's got some problems, but we'll take care of it.' In fact, no one in this Body or in the Senate or in the Executive has any idea how this bill will impact the marketplace. The rationale for the bill is based on sheer speculation coupled with a one-sided presentation of the evidence.

"No one, not one of the proponents, at least as I have heard, have talked about jobs, and how this measure even though with a delayed effective date will affect the jobs of those Hawaii residents who work for the retailers, the dealers, the jobbers, the wholesalers, the refiners. These people have families. They have dreams. They have obligations. But none of that is being considered.

"Sure, some oil companies, some oil companies, make too much money in this marketplace. But then some politicians are corrupt. And we have ways to deal with them and segregate them out. The overwhelming majority are not. Some oil companies gouge. We can deal with those. Not all should be treated as one. Not all dealers, retailers, refiners, ought to be treated as one.

"Moreover, we have not talked honestly about what State policies, State restrictions, State regulations, State taxing, has done to affect the marketplace and pricing. So high prices are not solely the fault of a few oil companies. It is our fault too. And we need to step up and fix what we've messed up through misdirected restrictions and regulations on the marketplace.

"For example, the divorcement laws. Those may have been pro-dealer laws but they are anti-consumer and have led to less competition and higher prices. Frankly, the dealers who are lobbying against this bill are in some ways responsible for its

very birth. In the main, it was dealers that supported the divorce legislation to protect their own. Well, that encouraged the 'genie out of the bottle' except now that 'genie' has turned into a 'Frankenstein.'

"I agree, perhaps this bill is populous in its appeal and I understand the desire of many in this Body to make a point that their support for this bill is to support the consumer, or what we affectionately refer to as the ubiquitous 'little guy.' And if it helps your re-election, so be it. But this bill does not exist in a vacuum. It is part of a totality of bills that extensively regulate far too much of our commodities market. This bill is yet another unfortunate sign that Hawaii state government will get more and more and more involved in our lives.

"It used to be that big business controlled this Body, then it was the unions, and even that control maybe still lingers. Now clearly it looks like big government controls our government. A government that perpetuates itself without regard to its oppressive interplay in people's lives. A government that perpetrates its own self-interest, and that is why I am against this bill. It is too much of too much. Please oppose this legislation."

The Chair then addressed the Body, stating:

"Thank you very much. All of you have been given the opportunity to submit your written comments, for or against. And all of you have had the opportunity to speak, for or against. At this time, the Chair recognizes Representatives Lee and Djou for the vote."

The motion was put to vote by the Chair and carried, and S.B. No. 2179, SD 2, HD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY RESOURCES," passed Final Reading by a vote of 29 ayes to 21 noes, with Representatives Bukoski, Chang, Davis, Djou, Fox, Gomes, Halford, Hamakawa, Jaffe, Kawakami, Leong, Marumoto, McDermott, Meyer, Moses, Nakasone, Ontai, Souki, Stonebraker, Takai and Thielen voting no, and with Representative Ahu Isa being excused.

The Chair directed the Clerk to note that S.B. No. 2179, SD 2, HD 1, CD 2, passed Final Reading at 5:05 p.m.

STANDING COMMITTEE REPORTS

Representative Ahu Isa, for the Committee on Economic Development and Business Concerns presented a report (Stand. Com. Rep. No. 1408-02) recommending that S.C.R. No. 157, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 157, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, HIGH TECHNOLOGY DEVELOPMENT CORPORATION, HAWAII TECHNOLOGY TRADE ASSOCIATION, AND THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY TO SET THE DIRECTION FOR THE HIGH TECHNOLOGY INDUSTRY," was adopted with Representative Ahu Isa being excused.

Representatives Ahu Isa and Chang, for the Committee on Economic Development and Business Concerns and the Committee on Tourism and Culture presented a report (Stand. Com. Rep. No. 1409-02) recommending that S.C.R. No. 12, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 12, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, IN CONJUNCTION WITH THE DEPARTMENT OF TRANSPORTATION, TO DEVELOP A MASTER PLAN FOR THE HONOLULU WATERFRONT," was adopted, with Representative Ahu Isa being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1410-02) recommending that S.B. No. 2908, SD 1, pass Third Reading.

Representative M. Oshiro moved that S.B. No. 2908, SD 1, pass Third Reading, seconded by Representative Lee.

Representative Schatz rose and asked that the Clerk record an aye vote with reservations, for him, and the Chair "so ordered."

Representative B. Oshiro rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. I just want to keep my comments very brief because I know people are anxious to get out of here.

"I am in opposition because this proposed facility is over one of the major aquifers here on Oahu. According to the Board of Water Supply and its Manager and Chief Engineer, this proposed facility is located in an area that has potential to contaminate major drinking water sources. Kunia Well 1, Kunia Well 2, Hoa'ai Wells and the Ewa Shaft having the total average capacity of 28 million gallons per day, lie right underneath the proposed facility. Therefore they're recommending that if this is to be done, it should be done in a different location.

"We understand that the Waimanalo Gulch Landfill produces about 50,000 gallons per year in landfill leach. So what they are saying is that if we have this proposed facility, although they understand that there may be safeguards that can be put in to prevent leaching. Leaching is almost an inevitable kind of outcome. And based on that, they feel that the threat is too severe and therefore they recommend that if this facility is going to go through, it shouldn't go through at the current site that is being proposed. Therefore, since we haven't heard any other alternatives, and because of the danger to drinking water, I stand in opposition. Thank you."

Representative Lee rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Kahikina rose in opposition to the measure and asked that the remarks of Representative B. Oshiro be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Moses rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am in opposition. As the Representative of the district in which this landfill or this center will go, I would welcome of course, business to my district. And of course it will also take some of the waste from the Waimanalo Gulch Landfill, which is also in my district. So in that sense, it would serve my district very well. However it is above an aquifer, and I would really like to have water to drink, also for the people in my district.

"It is also in a very good agricultural area in the district and it is across from a very new and growing community in my district. There are other places in the district where it could go. Campbell Industrial Park, or the former Barbers Point now Kalaeloa, places like that, which are also within my district. So this is not a NIMBY issue. I'd welcome it within the district but in a different location. Thank you, Mr. Speaker."

Representative Morita rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise in support with some reservation. I just want to point out something this Body considered which is S.B. 2505, regarding environmental impact statements. What that bill had proposed to do is provide for disclosure of projects like this, which are constructed with private monies on private land. That bill having failed, my deepest concern is that this project moves forward without any kind of environmental review and disclosure. All we have is the permitting process. It is part of the review process. Alternative sites are looked at and mitigating measures. But again, those issues will not be public because of the loophole in the EIS process."

Representative Garcia rose in opposition to the measure and asked that the remarks of Representatives B. Oshiro, Moses, and Morita be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

At 5:11 o'clock p.m., Representative Luke requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:11 o'clock p.m.

Representative Luke rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise with some serious reservations. My reservation is that this may affect the water quality of Leeward residents. We know what happen few years ago in Mililani when the water tanks had to go out and service a lot of the Mililani residents. That is my reservation. Thank you."

Representative Leong rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition to this. I know that in the future there might be some development occurring, and if people who develop don't know that background on this, they may develop it, which might cause and create problems for the people or the homes there. So with that, I oppose it. Thank you."

Representative Takumi rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Auwae rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I don't know very much about this bill, but I am going with reservations. Thank you."

Representative M. Oshiro rose in support with reservations and asked that the remarks of Representative B. Oshiro be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Lee rose in support with reservations and asked that the remarks of Representative B. Oshiro be entered

in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Hale rose in support with reservations and asked that the remarks of Representative B. Oshiro be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Magaoay rose in support with reservations and asked that the remarks of Representative Morita be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and the report of the Committee was not adopted and H.B. No. 2908, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR CENTRAL OAHU RECYCLING AND DISPOSAL FACILITY, INC.," failed to pass Third Reading by the required two-thirds vote in accordance with Article VII, Section 12 of the Constitution of the State of Hawaii, by a vote of 32 ayes, and 15 noes, with Representatives Arakaki, Djou, Fox, Garcia, Gomes, Kahikina, Leong, Marumoto, McDermott, Meyer, Moses, B. Oshiro, Takai, Takumi and Whalen voting no and Representatives Ahu Isa, Rath, Souki and Yonamine being excused.

THIRD READING

S.B. No. 2232, SD 1:

Representative M. Oshiro moved that S.B. No. 2232, SD 1, pass Third Reading, seconded by Representative Lee.

Representative Hale rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. I urge my colleagues to pass this unanimously. It is just extending the date from June 30th of this year, until next year. This project is almost ready to go. This is the last step. It's taken us a whole year to get OHA and DLNR together as you probably read in the paper a few weeks ago. But this last step, because it took so long, we have to extend the date. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and S.B. No. 2232, SD 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," passed Third Reading by a vote of 48 ayes and with Representatives Ahu Isa, Souki and Yonamine being excused.

The Chair directed the Clerk to note that S.B. No. 2232, SD 1, passed Third Reading at 5:15 p.m.

FINAL READING

The following bills were taken from the Clerk's desk and the following actions taken:

Representative M. Oshiro moved to agree to the amendments proposed by the Senate to following bills, seconded by Representative Luke and carried. (Representatives Ahu Isa, Nakasone, Schatz, Souki and Yonamine were excused.)

H.B. No. 703, HD 1 (SD 2)
H.B. No. 2304, HD 1 (SD 1)
H.B. No. 2455, (SD 1)
H.B. No. 2501, HD 1 (SD 1)
H.B. No. 2563, HD 1 (SD 1)

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received.

H.B. No. 703, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 703, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hamakawa, Takamine, and B. Oshiro). Noes, none. Excused, 2 (Leong and Thielen).

Representative M. Oshiro moved that the House agree to the amendments proposed by the Senate to H.B. No. 703, HD 1, and that H.B. No. 703, HD 1, SD 2, pass Final Reading, seconded by Representative Lee.

Representative Meyer rose and asked that the Clerk record an aye vote with reservations for her and the Chair "so ordered."

The motion was put to vote by the Chair and carried and the House agreed to the amendments proposed by the Senate to H.B. No. 703, HD 1 and H.B. No. 703, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," passed Final Reading by a vote of 47 ayes, with Representatives Ahu Isa, Nakasone, Souki and Yonamine being excused.

H.B. No. 2304, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2304, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (B. Oshiro and Hamakawa). Noes, none. Excused, 1 (Thielen).

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2304, HD 1 and H.B. No. 2304, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO JUROR PRIVACY," passed Final Reading by a vote of 47 ayes, with Representatives Ahu Isa, Nakasone, Souki and Yonamine being excused.

H.B. No. 2455, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2455, on the following showing of Ayes and Noes:

Ayes, 3 (Morita, Yonamine and Bukoski). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2455, and H.B. No. 2455, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL SITE CLEANUP," passed Final Reading by a vote of 47 ayes, with Representatives Ahu Isa, Nakasone, Souki and Yonamine being excused.

H.B. No. 2501, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2501, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Takamine and Leong). Noes, none. Excused, 1 (Kawakami).

Representative M. Oshiro moved that the House agree to the amendments proposed by the Senate to H.B. No. 2501, HD 1, and that H.B. No. 2501, HD 1, SD 1, pass Final Reading, seconded by Representative Lee.

Representative Fox rose to speak in opposition to the measure, stating:

"Mr. Speaker, basically this bill is going to result in increased cost for private business because the money taken out of the Unemployment Compensation Fund will have to be replaced with increased assessments on small business and other businesses. Thank you, Mr. Speaker."

Representative Meyer rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Moses rose in opposition to the measure and asked that the remarks of Representative Fox be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried and the House agreed to the amendments proposed by the Senate to H.B. No. 2501, HD 1 and H.B. No. 2501, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE APPROPRIATION FOR STATE EMPLOYEE BENEFIT PROGRAMS," passed Final Reading by a vote of 40 ayes to 7 noes, with Representatives Djou, Fox, Jaffe, Marumoto, Meyer, Moses and Thielen voting no, and with Representatives Ahu Isa, Nakasone, Souki and Yonamine being excused.

H.B. No. 2563, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2563, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Garcia, Hamakawa, Takamine and Djou). Noes, none. Excused, 2 (Suzuki and Pendleton).

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2563, HD 1 and H.B. No. 2563, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPENSATION OF CRIME VICTIMS," passed Final Reading by a vote of 47 ayes, with Representatives Ahu Isa, Nakasone, Souki and Yonamine being excused.

The Chair directed the Clerk to note that H.B. No. 703, HD 1, SD 2; H.B. No. 2304, HD 1, SD 1; H.B. No. 2455, SD 1; H.B. No. 2501, HD 1, SD 1 and H.B. No. 2563, HD 1, SD 1 had passed Final Reading at 5:19 o'clock p.m.

At 5:20 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:21 o'clock p.m.

At 5:21 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:22 o'clock p.m.

The Chair addressed the Body, stating:

"At this time, the Chair is discharging all House conferees previously appointed for H.C.R. 11, SD 1. This is on your white action sheets before you. This measure is hereby returned to this Chamber from the Conference Committee for further disposition by this Body."

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended to reconsider action previously taken in disagreeing to amendments proposed by the Senate to a certain House concurrent resolution. (Representatives Ahu Isa, Kanoho, Nakasone, Souki and Yonamine were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken on April 23, 2002, in disagreeing to the amendments proposed by the Senate and to agree to such amendments for H.C.R. 11, seconded by Representative Fox.

At 5:24 o'clock p.m., Representative Takai requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:26 o'clock p.m.

The motion was put to vote by the Chair and carried, and the House reconsidered its action previously taken and moved to agree to the amendments to H.C.R. 11. (Representatives Ahu Isa, Nakasone, Souki and Yonamine were excused.)

FINAL ADOPTION

H.C.R. No. 11, S.D. 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 11 and H.C.R. No. 11, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A MANAGEMENT AUDIT OF THE DEPARTMENT OF HEALTH'S DENTAL HEALTH DIVISION," was Finally Adopted, with Representatives Ahu Isa, Bukoski, Nakasone, Souki and Yonamine being excused.

The Chair recognized the Clerk, who announced:

"We are in receipt of Senate Resolution No. 122, informing the House and the Governor that the Senate is ready to adjourn Sine Die. This measure passed the Senate this afternoon."

INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. No. 176 through 180) were announced by the Clerk and the following action taken:

H.R. No. 176, entitled: "HOUSE RESOLUTION AUTHORIZING AND EMPOWERING THE SPEAKER TO EXPEND SUCH SUMS TO COMPLETE THE WORK OF THE TWENTY-FIRST LEGISLATURE, REGULAR SESSION OF 2002, INCLUDING THE CARRYING OUT OF ANY OFFICIAL LEGISLATIVE BUSINESS IN THE INTERIM BETWEEN THE 2002 AND 2003 SESSIONS," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 176 was adopted with Representatives Ahu Isa, Bukoski, Nakasone, Souki and Yonamine being excused.

H.R. No. 177, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER TO APPROVE THE JOURNAL OF THIS HOUSE OF ANY LEGISLATIVE DAY BEING COMPILED AS OF THE 60TH DAY," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 177 was adopted with Representatives Ahu Isa, Bukoski, Nakasone, Souki and Yonamine being excused.

H.R. No. 178, entitled: "HOUSE RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE ON THE JOURNAL TO COMPILE AND PRINT THE JOURNAL OF THE HOUSE OF REPRESENTATIVES, REGULAR SESSION OF 2002," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 178 was adopted with Representatives Ahu Isa, Bukoski, Nakasone, Souki and Yonamine being excused.

H.R. No. 179, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER TO DESIGNATE WHICH OF THE EMPLOYEES AND OFFICERS OF THE HOUSE BE GIVEN ADDITIONAL EMPLOYMENT TO MEET THE WORK AFTER THE SESSION AND FURTHER AUTHORIZING THE SPEAKER TO DETERMINE THE PERIOD OF EMPLOYMENT," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 179 was adopted with Representatives Ahu Isa, Bukoski, Nakasone, Souki and Yonamine being excused.

H.R. No. 180, entitled: "HOUSE RESOLUTION RELATING TO STANDING, INTERIM, AND SPECIAL COMMITTEES AUTHORIZED TO CONDUCT HEARINGS DURING THE INTERIM BETWEEN THE ADJOURNMENT OF THE REGULAR SESSION OF 2002 AND THE CONVENING OF THE REGULAR SESSION OF 2003," was offered by Representative Say.

Representative M. Oshiro moved that the H.R. No. 180 be adopted, seconded by Representative Luke.

Representative Fox rose to speak in opposition to the measure, stating:

"Mr. Speaker, I object to this motion. Mr. Speaker, it is very interesting that the previous four resolutions were shown to me for signature, and this one was not. This resolution departs from the spirit of the Rules of the House of Representatives,

which make it clear that Committee selections are either a joint process in which the Minority Caucus has the ability to name its own members, or is done in consultation with the Minority Caucus. Those are the two patterns that we have in the Rules. This departs from either of those patterns by giving you the sole authority to appoint members of interim Committees. I would have preferred Mr. Speaker, that in the spirit, you would have in a bipartisan fashion, allowed the Minority Caucus to name its own members. Thank you, Mr. Speaker."

Representative Djou rose to speak in opposition to the measure, stating:

"Mr. Speaker, please ask the Clerk to register a no vote for me on this measure for the same reasons stated by the Minority Leader. Thank you."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Please ask the Clerk to register a no vote for me for the same reasons. And I am very sorry to see this House going backward into the dark ages. I thought we had moved forward."

Representative Moses rose in opposition to the measure and asked that the remarks of Representative Fox be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Halford rose to speak in opposition to the measure, stating:

"Mr. Speaker, no. Bipartisanship is important and it is easy to implement here in this small issue. Thank you."

Representative Meyer rose in opposition to the measure and asked that the remarks of Representative Fox be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Gomes rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Jaffe rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Ontai rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.R. No. 180, entitled: "HOUSE RESOLUTION RELATING TO STANDING, INTERIM, AND SPECIAL COMMITTEES AUTHORIZED TO CONDUCT HEARINGS DURING THE INTERIM BETWEEN THE ADJOURNMENT OF THE REGULAR SESSION OF 2002 AND THE CONVENING OF THE REGULAR SESSION OF 2003," was adopted with Representatives Djou, Fox, Gomes, Halford, Jaffe, Meyer, Moses, Ontai and Thielen voting no, and with Representatives Ahu Isa, Bukoski, Nakasone, Souki and Yonamine being excused.

ANNOUNCEMENTS

Representative Hale: "Mr. Speaker, I ask on a point of personal privilege and hopefully respect for the senior member of this Legislature to make a short statement.

"Mr. Speaker, this being the last day of our 21st State Legislature, I want to take this opportunity to thank all of my colleagues on both sides of this House for their friendship and

cooperation. It has been a great experience to have been a part of this historic Legislature that has been faced with unimaginable problems as a result of the tragic events of 9/11/01. This event drastically affected our nation and our State.

"I will be one of those asking my constituents to send me back for another term. At 82, I have been rejuvenated by the participation in the legislative process. And I am convinced that the solution for me at least, to the process of aging, lies in the advice I received from my *Aikido sensei* years ago, and he said. 'As one gets older, one gets stiffer, and stiffer, and stiffer, until you are put six feet underground, stiffly in a box.' The solution he said is to keep active. And certainly being a member of this Body has helped me to keep mentally and physically active. *Mahalo* to everyone."

Representative Rath: "Thank you, Mr. Speaker. I just wanted to make mention that I served on the County Council with the wonderful Mrs. Hale and grew to fall in love with her, and I am glad that all of you got to love her too."

Representative McDermott: "Mr. Speaker, can I make a few comments? Mr. Speaker, this is my last Session here. I am going to be leaving. And to say it was an honor and privilege that would be... Words aren't enough. I would say it was a blessing to know all of you. It really has been. I am going to miss you all.

"The two things, and I'll be brief. The two things I will remember most about being a legislator was first my friend and mentor, Gene Ward who helped me get elected. I still stay in contact with him and he is a lifelong friend.

"The second thing I won't forget is my four trips to ALEC with Representative Rath. I was exposed to so much second-hand smoke, I now have the respiratory system of an Appalachian coal miner with black lung. With that being said, I love you all. *Aloha* and God bless you."

Representative Luke: "Mr. Speaker, it is with deep regret and sadness that I announce to the House that we are going to be losing 7 members of the House, the last member being Representative Ahu Isa who is not here today.

"But let me start with Representative Bob McDermott who already gave his farewell speech. Representative McDermott. He represents the 32nd District and he has been with the House since 1997. He represents Foster Village and he is commonly known as or refers to himself as 'Joe six-pack' or 'Bob six-pack'. We deeply regret losing him and we wish him great fondness.

"At this point and time, Representative McDermott, what we want to do is have the Minority Leader, Galen Fox, present you with a certificate and a gavel."

Representative Fox: "Representative McDermott, your humor sustained us through all these years. We are really going to miss you. I would like to present to you the gavel and the certificate right now."

Speaker Say: "Bob, you want to say a few words in accepting the gift?"

Representative McDermott: "Just thank you and God bless you all. I love you. Good-bye."

Representative Luke: "Mr. Speaker, next we have Representative Ed Case who is the Representative from the 23rd District, representing the good district of Manoa. He has been with the Legislature since 1995 and we can say that his remarks have been incorporated more times than anybody

else's. And what is interesting is that his remarks get incorporated even before he submits them. So at this point in time, I want to incorporate whatever he is saying, but without the running for Governor part. Representative Ed Case, at this point I yield my time to you so that you can make your farewell speech."

Representative Case: "Thank you, Madame Vice Speaker. I am tempted to incorporate the remarks of the Representative from Foster Village, but there are some things that I want to say.

"Mr. Speaker, in the Christian Bible, in Ecclesiastes, the preacher teaches: 'For everything there is a season, and a time for every purpose under heaven.' My season in this House is at an end, and my time for another purpose is at hand.

"How can I possibly say all that I feel after eight of the best, hardest, most rewarding years of my life? So much, but above it all, I have in me only the most intense gratitude.

"Gratitude to you, my colleagues, for our service together. I counted it up. I've served here with eighty-one of the finest people I've ever met. We've agreed and disagreed along the way and I want to say *e kala mai kakou*, please forgive me if I gave offense. I know our paths will cross again.

"Gratitude to great staff of the House, wherever you may be, who have made my job so much easier. And to my own great staff. You know, I haven't had that many in the course of eight years. They've been great and I want to name them. Sono Hirose-Hulbert, Steve Nakano, Dawn Yoshimura, Frank Streed, John Cole, Kim McDonald, Paul Marrack, and throughout it all, somebody that has become an institution I think, Peggy Lui. *Mahalo* for your tolerance and service too.

"Gratitude to my family, for what you have had to endure so that I could serve. I love you all deeply.

"And finally, the deepest gratitude to my bosses, the great people of Manoa, who gave me the humbling responsibility of being their voice. You charge me to do the right thing and then gave me room to carry it out. I will never forget your trust.

"I don't know where life will take me next. By the way, thank you to Representative Hiraki for the *Daruma*. I am going to color in one of those eyes right as soon as we're finished and I've got some thoughts in my mind about where I want to go next. But I do know that, in my heart, I will always be a proud member of the Hawaii State House of Representatives. *Aloha*."

Representative Luke: "Mr. Speaker, next we have Representative Charles Djou. He has been with us since 2001. I would say that he is one of the ones who will be leaving us on his own, voluntarily, and has served with the House, I think, for the shortest period of time and we will truly miss him. He represents the 47th District, which is from Kahaluu to Kaneohe, and we best know him as the fellow who calls for the roll call vote. So at this point Representative Djou, I yield my time to you so you can make your farewell speech."

Representative Djou: "Thank you, Madame Vice Speaker. Not entirely voluntarily. I had the interesting experience of watching very closely what happens with the redistricting commission this past year.

"Mr. Speaker and members of this House, for me this has been a wonderful experience these past two years. As many of you may know, I grew up in a family of engineers. My grandfather, my father, all of my uncles, my brother, most of all my cousins, they are all engineers. I am a little bit of a 'black sheep' of my family when I first went to law school. And I

made it even worse by becoming a politician. But at the next family dinner I will certainly remind all of my family members that I am 31 years old, and I am the youngest one of them to retire from something. So I don't know. Maybe I didn't make the worst choice after all.

"Mr. Speaker, I want to say thank you to all the members of this Chamber. First off, I have to thank the constituents of the 47th District. I am deeply honored to have served the people of the 47th District, and it is an extraordinarily humbling experience that they placed their trust in me to represent them here in this Chamber.

"I want to say thank you also to all of my colleagues, on both sides. You have made it interesting. I know I have been a 'thorn in the side' to a few of you, but I think it was all in the interest of democracy, and certainly I learned from both sides of the aisle and have been a better person from my service here.

"I want to say thank you to my staff who without them, well, they made me look a lot better than perhaps I actually am. And at many times, on more than one occasion, have saved me from more than a few embarrassing occasions by their diligence and thoughtfulness.

"Most of all I would like to thank my family, especially my wife and my son who had to endure me missing more than on a few occasions, and without their understanding it would have been impossible for me to be an effective legislator here in this Body.

"My departure from this House is in many ways bittersweet, Mr. Speaker. I had the sincere, sincere pleasure of being here for the past two years. Being one of the youngest members first coming in, and of course now being the youngest member to leave. There are a lot of years ahead of me. I hope my experience here can be as long as the Representative from Puna, and maybe one day I will be coming back here at the same age that the Representative from Puna came back here. Thank you and *Mahalo*."

Representative Luke: "Mr. Speaker, next we have Representative Willie Espero. He had been appointed to the House in 1999 and he has served his people of the district of Ewa Beach, the 41st District, very well. He is a very media savvy, more than we think he is. He runs his Olelo Program and we wish him good luck in whatever future endeavors he has. At this point in time Representative Espero, if you would like to make your farewell remarks."

Representative Espero: "Thank you Madame Vice Speaker. Mr. Speaker, it has been an honor and a privilege to serve in this Chamber and be a member of the Hawaii State House of Representatives. It is hard to believe that after three years I will be moving on for another opportunity, but in this business we call politics, timing is everything. I feel the time has come for me to pursue another challenge, which I pray will bring me back to the State Capitol in another capacity.

"I have enjoyed the last two and a half years serving the residents of Ewa, Ewa Beach and lower Waipahu and serving the people of Hawaii. I hope and pray I have fulfilled their expectations as a lawmaker and that our actions here have made them proud of our work. Dealing with and deciding the issues of concerns of this State has given me great insight on our political and governmental process. I have learned much, yet I know there is still much to learn. But the education I have received, the lessons I have learned, this experience was a valuable experience and memory I will always cherish.

"The most cherished and important memories I will take with me are of the many people I have had the privilege to meet and

to work with. Every one of us in here has the best interest of our districts and our State in our hearts. And even though what is ultimately decided in this Chamber is not always what we agree with, this is democracy at work. It is the best system in the world and I am very honored to be a part of it.

"We have made some easy decisions here. We have dealt with controversial matters, and have had to make difficult choices. But that is our job and I believe that we can go to our communities with our heads high knowing the concerns of the people were addressed and we have positively impacted many lives. There is much room, much more to do, but for now I know we have done our best.

"I want to thank my office manager, Tom Berg; and my staff: Marlene Uyesugi, Tobie Laimana, and Edlynn Taira, once again for their dedication and outstanding work for me and for the people of Hawaii.

"I want to thank Representative Abinsay for his mentoring in the Agriculture Committee when I was first appointed. And most recently Speaker Emeritus Joseph Souki, for the task of being his Vice Chair on the Transportation Committee. I learned a lot from him this year, and it was an experience working with him as we tackled the traffic camera enforcement legislation.

"As I look around and I see the many people who have become my friends and my colleagues. I do thank God for blessing me with the life and opportunities He has given me. I will never forget the late, long meetings of the Finance Committee under the leadership of Representative Takamine. Or the after-hour meetings with Representative Nakasone. The karaoke with Representative Davis and Representative Cabrerros. The spiritual music from Representative Kahikina and other members of the Hawaiian Caucus. The Filipino Caucus meetings with the Governor. Filming my cable TV show with many of you here today, and many, many memories which I will never forget. Some of which I am not able to do publicly discuss, right Mr. Speaker?"

Speaker Say: "I don't know."

Representative Espero: "But in closing, I want to thank my family, my children, my parents, the special lady in my life, for all of their support and for the sacrifices that they have made. And of course, a special *mahalo* to the best Speaker I have had the honor of serving under. Your strength Mr. Speaker, is your demeanor and your style, and the State of Hawaii is lucky to have you in the position you are today.

"Life is a journey full of adventurous surprises and challenges. All of us continue on our own individual journeys and I know we will meet again to work together for the betterment of this State. Hawaii is in good hands and I firmly believe the best is yet to come. Together we will make a difference. Thank you and congratulations to everyone for being a part of this great, rewarding, fulfilling experience. Thank you, Mr. Speaker."

Representative Luke: "Mr. Speaker, next we have Representative Nestor Garcia. He has served the House since 1995. He represents the 37th District, the district of Waipahu, and what we remember best about him is that when he makes a speech, we not only hear it in the Chambers, but I think his Waipahu constituents sometimes hear his speech also. So at this point in time, I would like to yield the floor to Representative Nestor Garcia to make his farewell speech to us and the constituents."

Representative Garcia: "Madame Vice Speaker, I rise in support of the measure. Sorry old habits die hard. That is a WR too -- without reservations.

"I have written these people into the script and they've surprised me with their appearance in the gallery Mr. Speaker. So if I could be afforded an opportunity to introduce my good and loyal staff sitting in the gallery there. My interns Leila and Shireen, if they could stand. And I made reference to him when we passed out a momentous measure the other night, my good and able Committee Clerk, Doug. And the lady I thought we had retired before, but she comes back, and she will be with me in my future life. She started with me from the beginning, my office manager, Connie.

"Mr. Speaker, before I move on with the text, I know I am going to have other colleagues yield some time because I have some rather lengthy remarks. But I need to note for the record something incredible that has just happened here on the floor. Mr. Speaker, I began and end my carrier with an issue that triggered health concerns in my region in which SPRBs were attached. In both instances, they were happily resolved, and now I can leave knowing that I have done my job. Thank you.

"Mr. Speaker, with your indulgence, please allow me, as they do on Oscar night, to thank the many people who have afforded me the high honor and privilege to serve as a member of the Hawaii State House of Representatives.

"To the members of my family, my wife and daughters, who were without me as I wrote these words in my office late into the night, my apologies, my thanks, and my love. They found themselves without a husband and father on many occasions while I was either engrossed with the work of this Chamber, or pressed into service for my community. There are not enough words to express my gratitude to them, and what they mean to me, and so I will find myself saying and doing things to and for them long after I end my tenure in public service.

"To my constituents, who first tasked me with the duty to serve the 37th District nearly eight years ago, my deepest aloha, respect, and gratitude. I take great pride knowing many of my constituents, but there are a great many I have never met, and for any one of them to still place a modicum of hope, trust, or faith in me, is on the one hand, truly amazing and on the other, very humbling. While I am the first to admit that I probably let more than a few people down on occasion, I did so not out of malice or sheer ignorance, but always with an eye towards doing what was best for all concerned.

"My *mahalo* also to leadership – past, and present. To you Speaker Calvin Say, and to Speaker Joe Souki, my thanks for placing your trust in me to serve not just on your respective leadership teams but also, during both your tenures, as the Chairman of the Committee on Public Safety and Military Affairs.

"Yes, Mr. Speaker, I will long remember the many hours of preparation, the pressure of presiding over hearings, the drafting, and shepherding of legislation, all this and more, which led to a lot of heartburn, more than a few heartaches, and some heartwarming moments. And, on the lighter side, there were times when I found myself wondering what just happened, and dreading what was yet to occur.

"So, for anyone willing to take to either take on the job of a Chair, or serve as a member of leadership, please take these time-honored proverbs to heart:

From the Arab world, for when you seek advice 'Ask the experienced, rather than the learned.'

From the Native Americans, for whenever someone seeks to determine your position on an issue, 'Tell me, and I'll forget. Show me, and I may not remember. Involve me, and I'll understand.'

And finally, from the Chinese, for when you are about to count the votes, 'If you must play, decide on three things at the start: The rules of the game, the stakes and the quitting time.'

"Mr. Speaker, it is near quitting time for me.

"But before I go, let me share these words of inspiration, for those who are members of this Chamber, and for those who aspire to serve alongside my colleagues one day.

In 1966, Robert F. Kennedy shared these words in a speech he gave perhaps in Johannesburg, South Africa, words that I hope will not only inspire you, but also supply you with the strength, grace and courage you need under fire:

Some believe there is nothing one man or woman can do against the enormous array of the world's ills. Yet many of the world's great movements of thought and action, have flowed from the work of a single person. A young monk began the Protestant reformation, a young General extended an empire from Macedonia to the then known borders of the earth, and a young woman reclaimed the territory of France. It was a young Italian explorer who discovered the New World, and the 32 year old Thomas Jefferson who proclaimed that all men are created equal.

Each time a man or a woman stands up for an ideal, or strikes out against injustice, or acts to improve the lot of others, he or she sends a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current, which can sweep down the mightiest walls of oppression and resistance.

"Here are a couple of other nuggets of advice. First, for those who are unwilling to offer dissent in the face of Majority opposition, and here, Mr. Speaker, I do not necessarily direct these comments to my colleagues across the aisle: Take heart in the words and deeds of former United States Supreme Court Chief Justice John Marshall Harland. Before he became Chief Judge, he often found himself writing the opinion for the minority on the court. Justice Ruth Bader Ginsberg said his dissents would later serve as the basis of new law. With his dissenting opinions, Justice Ginsberg says that Justice Harland was actually writing for the future. In other words Mr. Speaker and colleagues, you may not get what you want in the here and now, but in time you may very well find vindication, justification, and ultimate satisfaction.

"Finally, never, ever underestimate the power of one vote. A single vote. My friend and colleague from Kailua would appreciate this: In May of 1765, a fiery Virginia lawyer shocked the Virginia House of Burgesses when he introduced a resolution challenging England's policy of taxation without representation. His resolution was a vital first step on the road to eventual independence for our country. Mr. Speaker, the Virginia Assembly adopted that resolution drafted by Patrick Henry, by one vote. The purchase of Alaska from Russia was ratified by just one vote. Texas was annexed to the union in 1845 by one vote. I think we are still thinking about that one. And one of the most important, but least recognized, one vote margins in the history of our country took place shortly after the American Revolution. One vote made the difference over a bill that would have changed the official language of America from English to German.

"*Damen und Herren ...*"

Speaker Say: "Excuse me, Representative Garcia. Representative Luke, will you yield your time?"

Representative M. Oshiro: "Mr. Speaker, I yield my time."

Representative Garcia: "I am not going out easy. I am sorry. I will revert back to English here.

"Mr. Speaker, as I prepare to take my leave of this Chamber, I reflect on the many deliberations, debates, and discussions on a whole host of issues and, on more than one occasion, the thought did cross my mind that perhaps the best course of action was to take no action at all.

"But I am reminded of the words and deeds of a man who many believe was one of our greatest Presidents. Abraham Lincoln did not stand for the abdication of responsibility. He declared that the legitimate object of government is to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves.

"Mr. Speaker, the members should reflect on what they have accomplished during this Regular Session of the 21st Legislature. We have more than met that legitimate object of government, and we should be proud of our work, as I am proud to have served alongside you, and our colleagues.

"Yes, Mr. Speaker, it is near quitting time.

"My friend and colleague from Mililani who recently attended a ceremony with the cadets at West Point would especially appreciate my last parting words: I now fade away.

"To you, Mr. Speaker, and to our colleagues, I again extend my congratulations along with my sincere aloha, best wishes, and *mahalo*."

Representative Luke: "Mr. Speaker last but not least we have our friend from Kona, Representative Paul Whalen the Minority Whip, who has represented the good district, the 5th District of Kona since 1997. We know him as the parliamentary whiz who without any reluctance will call for the point of order at any point, so I am afraid that he is going to point of order me. So at this point, I yield my time to Representative Whalen."

Representative Whalen: "Thank you very much. You know, I didn't really write anything out for myself so I thought maybe I can spend this time to talk a little about gas regulation.

"As you all know... No, actually I did. I must say that Representative Gomes helped me on this speech and I, oops... Well, forgive me Joe. I'm sorry. I didn't know where I was at. But I have to do this ad lib, so I apologize.

"Before I forget I would like to thank my constituents for putting me here, and my colleagues for putting up with me while I've been here. And from the beginning, as you know some of you have been here much longer than I have, and the personalities that come through this building are quite unique. Terry Tom actually took me under his wing from the get-go and taught me a lot about the unofficial legislative process that we've all come to know over the years, and how it actually works."

Representative Gomes: "Mr. Speaker, point of order please. I believe the speaker is straying from the subject matter."

Speaker Say: "Please proceed Representative Whalen."

Representative Whalen: "Thank you Mr. Speaker, and my apologies to the Representative from Waimanalo. But again, I've lost my OD and I apologize on this one.

"But Terry Tom taught me a lot. And Speaker Souki, who I had some interesting anecdotes about, but I'll move on since he is not here. And you Mr. Speaker, I appreciate it. I remember before we started our first Session, I ran into you in the hallway, and I didn't know who you were from Adam other than that you were a Representative and you were very kind and friendly and had a couple words of advice for me. And I thought, 'I've heard about this.' I knew Gene Ward too. 'What is his angle? What is he shooting for? Is he trying something on me? I've got to watch out for this guy.'

"I must say that out of all the people in the House and Senate, you are one of the few people I think, that is 'true blue' in a sense, and this in not to denigrate anyone else, but to speak to your character. I appreciate the effort that you put in to educating me about the process and assisting me along the way.

"But you know, not to drag this out. This is kind of like a mission for those of you who are familiar with the Mormons that go off on their two-year missions. Well I've had a six-year mission here for you folks to train me. I look at it as the House sending some common sense to the Senate. And if all of us continue that process, we will overcome and actually have a Legislature that works. That is the goal. So, thank you very much."

Representative Luke: "Mr. Speaker, on behalf of yourself, Representative Case, Representative Djou, Representative Espero, Representative Garcia, Representative McDermott, and Representative Whalen, if you could all rise so we could recognize you one final time. And on behalf of the Speaker, we would like to extend our fondest wishes and we want to wish you a very best of luck as you all travel on your own journeys. And we want to let you know that we have a seat in our hearts for you, and to let you know that the House will always be your home.

"You know, since the beginning of Session we have talked about tough times, and if any one of you decides to return, we want our plaques and gavels back."

Representative Cabrerros: "Thank you, Mr. Speaker. This is not my farewell speech and I don't intend to quit now that there is so many leaving the House. But I will, since it is almost dinnertime, I will talk about food.

"I have an announcement about the Hawaii Foodbank Drive. Mr. Speaker, may I take this opportunity to thank the entire staff and members of the House of Representatives in supporting the Hawaii Foodbank Drive. This year's drive comes at a time when our community is faced with economic austerity and personal sacrifice. However because of the Legislature's commitment to supporting this organization, I am happy to report that we have raised 2,153 pounds of food and \$4,467.75 in monies from our various Foodbank activities and personal donations.

"I would especially like to thank the staff of Representative Marcus Oshiro's office for their efforts and their lumpia sale. And Chief Clerk Pat Shimizu's staff for their pizza sale. Their personal efforts have indeed been appreciated by those who are needy. It is comforting to know Mr. Speaker, that this Body can come together and rally for a cause that is worthy. Once again, thank you very much for supporting the Hawaii Foodbank.

"May I also thank Representative Emily Auwae and her staff as Co-chair of the Hawaii Foodbank drive this year. And a

special thanks to my colleague, Representative Willie Espero for letting us use his bigger office for the volunteers' party, and to my office manager Danny Ramos for coordinating the various activities. *Mahalo* to all of you. Thank you very much Mr. Speaker."

Representative Auwae: "Thank you, Mr. Speaker. Representative Cabrerros and I would like to extend a big *mahalo* to all the members and staff for their support of this year's House Foodbank drive. The first food drive activity of the year was a collection box contest. The winners in the most beautiful category: first place was Chris Halford's office; second place was Helene Hale's office. The most creative category: Ron Davis took first place; Bertha Leong took second. Congratulations to all of you.

"On a special note, we would also like to thank our office managers for spearheading this effort. From Representative Cabrerros' office, Danny Ramos worked very enthusiastically on our drive for food and he made it very interesting and a lot of fun. And in my office I would like to thank my office manager Rachel Zane who worked diligently to keep everyone on track for each event.

"Finally, I would like to extend my appreciation to each and everyone of you who participated. The people of Hawaii thank you also. We did a good job and I want to say *mahalo*. Thank you."

Representative Gomes: "Thank you, Mr. Speaker. With regard to the Foodbank and the Chili Contest, I have the results from that. Members and audience, the Chili Contest that was held a few weeks ago raised a total of \$327 at \$2 a bowl. They did a pretty good job, all in all. The judges that participated that day and who took time out to help us out were Cecilio Rodrigues, Braddah Sam, Kit Dobelle, Lanai Boy, and Dick Grimm.

"In particular Mr. Speaker, I just wanted to mention some of the staff members that worked very hard and not only do a good job for all of us with regard to our legislative business, but also extended themselves for this effort. That includes Lisa Vargas from Representative Lee's office, Gail Gouveia from Representative Jaffe's office, Ellen Diggs from Representative Ontai's office, Lori Gorospe from Representative Fox's office, Mona Kapaku from Representative Bukoski's office, Danny Ramos from Representative Cabrerros' office, Rachel Zane from Representative Auwae's office, and Camille Thomas from Representative Halford's office.

"And Mr. Speaker, I'd like to mention the first and second place winners of the contest. The first place winner was Jody Hamasaki from the Finance Committee, and the second place winner was Peggy Lui from Representative Ed Case's office. I don't know members if you had a chance to try any of the chili. I unfortunately, did not. I was looking forward to in particular to trying the 'Raiders of the Hurricane Fund' chili. But by the time I got there it was all gone. Be that as it may, Mr. Speaker and members, thank you to all those members that helped and the staff that helped.

"With your indulgence Mr. Speaker, I would also like to recognize my office manager, Leslie Chow who did a lot of work for the Chili Cook-off. Also I'd like to thank her for her support this Session and last Session, and for keeping me organized, keeping the plants watered, and just extending aloha to everybody that walked in that office. She really makes it special.

"And finally to you Mr. Speaker, for your demeanor and the way that you have run this House and this Body. I appreciate that. Thank you."

Speaker Say: "Are there any further announcements? If not the Chair has a very short announcement to make for all of you.

"Members of the House, we have come a long way in just 60 short legislative days. Last fall, we along with the entire nation, were faced with a tragedy that has had far-reaching social, moral and economic affects on our State and nation.

"We convened in a Special Session to implement measures to help the residents of Hawaii through those difficult times. And we have continued our efforts this Regular Session in the same spirit. Faced with diminished and uncertain economic prospects we have proceeded with prudence and care.

"As this Session draws to a close let me say this: I am proud of what this House has accomplished despite the unprecedented difficulties we faced. While we have different opinions on various issues, the free exchange of ideas that we shared this Session is what democracy is all about. But despite the sometimes arduous debates, we have managed to put together a very productive Session.

"We could have easily decided that given the difficult financial circumstances, this was not a good year to 'rock the boat.' Instead all of us have found ways to make the State's resources work harder for the people. And we have taken bold and decisive action that is consistent with good, sound judgment.

"As this is both the close of the Regular Session, as well as this biennium, this will be the last time that we assemble as the Hawaii State House of Representatives of the 21st Legislature. Several of you are moving on to make your mark in other arenas, and you all will be missed. I personally know that the unique gifts that each of you have shared with this Body will be appreciated by your new colleagues.

"In closing, I want to thank all of you for your extraordinary and spirited efforts this Session. Once again, *aloha* and *mahalo*. Thank you very much."

ADJOURNMENT

Representative M. Oshiro moved that the House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, adjourn Sine Die, seconded Representative Fox.

The motion was put to vote by the Chair and carried, and at 6:19 o'clock p.m., the Speaker rapped his gavel and declared the House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2002, adjourned Sine Die. (Representatives Ahu Isa, Bukoski, Halford, Nakasone, Souki and Yonamine were excused.)