

**GOVERNOR'S MESSAGES RECEIVED AFTER THE ADJOURNMENT
OF THE 2002 LEGISLATURE SINE DIE**

Gov. Msg. No. 243, transmitting a report entitled "Recognizing and Commending the Work of Island Tenants On The Rise for their continuing efforts to Bring Low-Income People Into Active Participation in the Democratic Process," prepared by the Housing and Community Development Corporation of Hawaii, Department of Business, Economic Development & Tourism.

Gov. Msg. No. 244, transmitting the 2001 report on the Juvenile Justice State Advisory Council prepared by the Office of Youth Services.

Gov. Msg. No. 245, informing the House that on May 23, 2002, the following bills were signed into law:

H.B. No. 1746, HD 1, SD 1, RELATING TO UNATTENDED VEHICLES (ACT 059)

H.B. No. 1970, SD 1, RELATING TO THE HAWAII STATE EMERGENCY RESPONSE COMMISSION (ACT 060)

H.B. No. 2009, HD 1, SD 1, RELATING TO AGRICULTURE (ACT 061)

H.B. No. 2307, HD 1, RELATING TO ELECTRONIC TRANSACTIONS (ACT 062)

H.B. No. 2365, RELATING TO TAXATION (ACT 063)

H.B. No. 2445, SD 2, RELATING TO HOUSING (ACT 064)

H.B. No. 2478, RELATING TO EMPLOYMENT STATUS OF PERSONNEL OF THE HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY (ACT 065)

H.B. No. 2481, HD 1, RELATING TO CIVIL SERVICE EXEMPTIONS (ACT 066)

H.B. No. 2501, HD 1, SD 1, RELATING TO THE APPROPRIATION FOR STATE EMPLOYEE BENEFIT PROGRAMS (ACT 067)

H.B. No. 2554, RELATING TO NONCOMMERCIAL PIERS (ACT 068)

H.B. No. 2556, RELATING TO SECTION 13 OF ACT 15, THIRD SPECIAL SESSION LAWS OF HAWAII 2001 (ACT 069)

H.B. No. 2582, HD 1, SD 1, RELATING TO HIGHWAY SAFETY (ACT 070)

S.B. No. 2632, RELATING TO ARRESTS (ACT 071)

S.B. No. 2693, RELATING TO CHILD SUPPORT ENFORCEMENT (ACT 072)

S.B. No. 2705, RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (ACT 073)

Gov. Msg. No. 246, informing the House that on May 31, 2002, the following bills were signed into law:

H.B. No. 1761, HD 1, SD 2, CD 1, RELATING TO INSURANCE (ACT 074)

H.B. No. 1950, SD 2, CD 1, RELATING TO PRESCRIPTION DRUGS (ACT 075)

H.B. No. 2834, SD 2, CD 1, RELATING TO PRESCRIPTION DRUGS (ACT 076)

S.B. No. 2179, SD 2, HD 1, CD 2, RELATING TO ENERGY RESOURCES (ACT 077)

Gov. Msg. No. 247, informing the House that on May 31, 2002, the following bills were signed into law:

H.B. No. 1864, HD 1, SD 1, RELATING TO VISITATION (ACT 078)

H.B. No. 1999, SD 1, RELATING TO HUNTING (ACT 079)

H.B. No. 2128, HD 1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR PROJECTS ON THE ISLAND OF HAWAII (ACT 080)

H.B. No. 2248, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR PROCESSING ENTERPRISES (ACT 081)

H.B. No. 2305, HD 1, SD 1, CD 1, RELATING TO THE UNIFORM PROBATE CODE (ACT 082)

H.B. No. 2385, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WINES OF KAUAI, LLC (ACT 083)

H.B. No. 2433, HD 1, SD 1, RELATING TO CHILD SUPPORT ENFORCEMENT (ACT 084)

H.B. No. 2531, HD 2, RELATING TO TEMPORARY HEALTH INSURANCE FOR UNEMPLOYED PERSONS (ACT 085)

H.B. No. 2538, RELATING TO AQUATIC RESOURCES (ACT 086)

S.B. No. 2791, SD 2, RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM (ACT 087)

S.B. No. 2964, SD 2, HD 2, CD 1, RELATING TO THE HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE (ACT 088)

Gov. Msg. No. 248, informing the House that on May 31, 2002, the following bills were signed into law:

H.B. No. 1011, HD 1, SD 1, RELATING TO ELECTIONS (ACT 089)

H.B. No. 1772, RELATING TO RESIDENCY OF POLICE OFFICER APPLICANTS (ACT 090)

H.B. No. 2300, HD 2, SD 1, CD 1, RELATING TO THE JUDICIARY (ACT 091)

H.B. No. 2304, HD 1, SD 1, RELATING TO JUROR PRIVACY (ACT 092)

H.B. No. 2349, HD 1, SD 1, RELATING TO AUTHORIZED EMERGENCY VEHICLES (ACT 093)

H.B. No. 2429, HD 1, RELATING TO TOBACCO (ACT 094)

H.B. No. 2453, SD 1, CD 1, RELATING TO THE CAPITAL LOAN PROGRAM (ACT 095)

H.B. No. 2537, SD 1, RELATING TO AQUATIC RESOURCES (ACT 096)

H.B. No. 2563, HD 1, SD 1, RELATING TO COMPENSATION OF CRIME VICTIMS (ACT 097)

H.B. No. 2569, HD 1, SD 1, RELATING TO THE CONFORMITY OF THE STATE TAX LAWS TO THE UNITED STATES CONSTITUTION (ACT 098)

H.B. No. 2708, HD 1, RELATING TO ANIMAL DISEASES (ACT 099)

S.B. No. 2052, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS (ACT 100)

S.B. No. 2228, SD 1, HD 2, CD 1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES (ACT 101)

S.B. No. 2802, SD 2, HD 2, CD 1, RELATING TO LEASING OF PUBLIC LANDS TO RENEWABLE ENERGY PRODUCERS (ACT 102)

S.B. No. 2804, HD 1, RELATING TO SUBLEASING OF PUBLIC LANDS (ACT 103)

Gov. Msg. No. 249, informing the House that on May 31, 2002, the following bills were signed into law:

H.B. No. 682, RELATING TO CONTESTS OF OCCUPATIONAL SAFETY AND HEALTH MATTERS (ACT 104)

H.B. No. 2302, HD 2, SD 1, CD 1, RELATING TO MOTOR VEHICLE DRIVERS' LICENSES (ACT 105)

H.B. No. 2329, RELATING TO MANAGED COMPETITION (ACT 106)

H.B. No. 2459, SD 2, CD 1, MAKING EMERGENCY APPROPRIATION FOR SOCIAL SECURITY/MEDICARE EXPENSES (ACT 107)

H.B. No. 2480, HD 1, SD 2, CD 1, RELATING TO SCHOOL BUS FARES (ACT 108)

H.B. No. 2495, SD 1, CD 1, MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES (ACT 109)

H.B. No. 2571, SD 1, RELATING TO TAXATION OF PERSONS WITH IMPAIRED SIGHT OR HEARING OR WHO ARE TOTALLY DISABLED THAT ARE ENGAGED IN BUSINESS (ACT 110)

S.B. No. 99, HD 1, CD 1, RELATING TO THE LIQUOR COMMISSION (ACT 111)

S.B. No. 2232, SD 1, RELATING TO KIKALA-KEOKEA (ACT 112)

S.B. No. 2628, SD 2, HD 2, RELATING TO THE USE OF INTOXICANTS (ACT 113)

S.B. No. 2667, HD 1, RELATING TO PUBLIC LANDS (ACT 114)

S.B. No. 2680, HD 1, RELATING TO SCHOOL FACILITIES (ACT 115)

S.B. No. 2682, SD 1, HD 2, CD 1, MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES (ACT 116)

S.B. No. 2750, SD 1, HD 2, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED (ACT 117)

S.B. No. 2782, SD 1, HD 1, RELATING TO HOSPITAL LICENSING (ACT 118)

S.B. No. 2817, SD 2, HD 1, RELATING TO THE REPEAL OF NULL AND VOID AND UNNECESSARY ADMINISTRATIVE RULES (ACT 119)

S.B. No. 2934, HD 2, CD 1, RELATING TO INTOXICATING LIQUOR (ACT 120)

Gov. Msg. No. 250, informing the House that on May 31, 2002, the following bills were signed into law:

H.B. No. 1731, HD 2, SD 1, CD 1, RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEES (ACT 121)

H.B. No. 1740, HD 1, RELATING TO ENTERPRISE ZONES (ACT 122)

H.B. No. 1758, HD 1, SD 1, CD 1, RELATING TO DOMESTIC ABUSE (ACT 123)

H.B. No. 2120, HD 1, SD 1, CD 1, RELATING TO THE UNIFORM CHILD-CUSTODY JURISDICTION AND ENFORCEMENT ACT (ACT 124)

H.B. No. 2553, SD 1, RELATING TO THE BUREAU OF CONVEYANCES (ACT 125)

S.B. No. 2290, SD 1, HD 1, CD 1, RELATING TO INDEPENDENT BILL REVIEWERS (ACT 126)

S.B. No. 2613, SD 2, HD 1, CD 1, RELATING TO FISHING RIGHTS AND REGULATIONS (ACT 127)

S.B. No. 2715, SD 1, HD 1, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (ACT 128)

S.B. No. 2724, SD 2, HD 1, CD 1, RELATING TO REAL ESTATE (ACT 129)

S.B. No. 2732, SD 1, HD 1, CD 1, RELATING TO BUSINESS REGISTRATION (ACT 130)

S.B. No. 2757, SD 2, HD 2, CD 1, RELATING TO AMENDMENTS TO ACT 253, SESSION LAWS OF HAWAII 2000 (ACT 131)

S.B. No. 2774, SD 2, HD 2, RELATING TO ENVIRONMENTAL PROGRAM FINANCING (ACT 132)

S.B. No. 2775, HD 1, CD 1, MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION (ACT 133)

Gov. Msg. No. 251, informing the House that on June 6, 2002, the following bills were signed into law:

H.B. No. 2817, HD 1, SD 1, CD 1, RELATING TO THE HAWAII RULES OF EVIDENCE (ACT 134)

H.B. No. 2854, HD 1, SD 1, RELATING TO ACCOUNTANCY (ACT 135)

S.B. No. 2067, SD 2, HD 1, CD 1, RELATING TO HIGHER EDUCATION (ACT 136)

S.B. No. 2289, SD 1, HD 2, RELATING TO CONDOMINIUM PROPERTY REGIMES (ACT 137)

S.B. No. 2422, SD 2, HD 2, RELATING TO MOTOR VEHICLE INSPECTIONS (ACT 138)

Gov. Msg. No. 252, informing the House that on June 7, 2002, the following bills were signed into law:

H.B. No. 870, SD 1, CD 1, RELATING TO PUBLIC LANDS (ACT 139)

H.B. No. 1713, HD 1, SD 1, CD 1, RELATING TO CONDOMINIUM PROPERTY REGIMES (ACT 140)

H.B. No. 1715, HD 1, SD 1, CD 1, RELATING TO CONDOMINIUM PROPERTY REGIMES (ACT 141)

H.B. No. 1716, HD 1, SD 1, CD 1, RELATING TO CONDOMINIUM PROPERTY REGIMES (ACT 142)

H.B. No. 2192, HD 1, SD 1, CD 1, RELATING TO THE HAWAII TOURISM AUTHORITY (ACT 143)

H.B. No. 2315, HD 1, SD 1, CD 1, RELATING TO THE OBSTRUCTION OF INGRESS OR EGRESS (ACT 144)

H.B. No. 2443, HD 2, SD 1, CD 1, RELATING TO THE PREVENTION OF THE FILING OF FRIVOLOUS FINANCING STATEMENTS (ACT 145)

H.B. No. 2454, SD 1, CD 1, RELATING TO ENTERPRISE ZONES (ACT 146)

H.B. No. 2460, HD 2, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (ACT 147)

H.B. No. 2500, HD 1, SD 1, CD 1, RELATING TO STATUTORY REFERENCES AFFECTED BY ACT 253, SESSION LAWS OF HAWAII 2000 (ACT 148)

H.B. No. 2512, SD 2, CD 1, RELATING TO THE PUBLIC HEALTH NURSING SERVICES SPECIAL FUND (ACT 149)

H.B. No. 2523, RELATING TO EMERGENCY MEDICAL SERVICES (ACT 150)

H.B. No. 2536, SD 1, CD 1, RELATING TO SECTION 17 OF ACT 85, SESSION LAWS OF HAWAII 1999 (ACT 151)

H.B. No. 2552, HD 1, SD 1, CD 1, RELATING TO THE DEFINITION OF LANDOWNER FOR SAFE HARBOR AGREEMENTS AND HABITAT CONSERVATION PLANS (ACT 152)

H.B. No. 2568, HD 1, SD 1, CD 1, RELATING TO THE COLLECTION OF TAXES (ACT 153)

S.B. No. 2708, SD 1, HD 1, CD 1, RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (ACT 154)

S.B. No. 2733, SD 2, HD 1, CD 1, RELATING TO INSURANCE (ACT 155)

S.B. No. 2926, SD 1, HD 2, CD 1, RELATING TO EDUCATION (ACT 156)

S.B. No. 3040, SD 2, HD 2, CD 1, RELATING TO CAPTIVE INSURANCE (ACT 157)

S.B. No. 3041, SD 1, HD 1, RELATING TO THE DEPARTMENT OF EDUCATION STOREROOM REVOLVING FUND (ACT 158)

Gov. Msg. No. 253, informing the House that on June 7, 2002, the following bills were signed into law:

H.B. No. 1942, SD 1, CD 1, ESTABLISHING A COMMISSION TO CELEBRATE THE ONE-HUNDREDDTH ANNIVERSARY OF THE ARRIVAL OF FILIPINOS TO HAWAII (ACT 159)

S.B. No. 594, SD 1, HD 2, CD 1, RELATING TO NEUROTRAUMA (ACT 160)

S.B. No. 1188, SD 2, HD 2, CD 1, RELATING TO SENTENCING FOR DRUGS AND INTOXICATING COMPOUNDS OFFENSES (ACT 161)

Gov. Msg. No. 254, informing the House that on June 8, 2002, the following bill was signed into law:

S.B. No. 2526, SD 2, HD 1, CD 1, RELATING TO PARENTAL PREFERENCES IN GOVERNMENT CONTRACTS, PROGRAMS, AND SERVICES (ACT 162)

Gov. Msg. No. 255, informing the House that on June 13, 2002, the following bill was signed into law:

S.B. No. 2666, SD 2, HD 1, CD 1, RELATING TO A SEAL OF QUALITY FOR FRESH AND PROCESSED AGRICULTURAL PRODUCTS (ACT 163)

Gov. Msg. No. 256, informing the House that on June 18, 2002, the following bills were signed into law:

H.B. 223 HD 1, SD 2, CD 1, RELATING TO OPTOMETRY (ACT 164)

H.B. 703, HD 1, SD 2, RELATING TO CONTROLLED SUBSTANCES (ACT 165)

H.B. No. 1749, HD 2, SD 1, CD 1, RELATING TO ADULT RESIDENTIAL CARE HOMES (ACT 166)

H.B. No. 2056, HD 2, SD 2, RELATING TO SOCIAL WORK (ACT 167)

H.B. No. 2518, RELATING TO EMERGENCY MEDICAL SERVICES (ACT 168)

H.B. No. 2521, HD 2, SD 2, CD 1, RELATING TO CONTROL OF DISEASE (ACT 169)

S.B. No. 796, SD 1, HD 2, CD 2, RELATING TO STATE AND COUNTY TORT LIABILITY (ACT 170)

Gov. Msg. No. 257, informing the House that on June 19, 2002, the following bills were signed into law:

H.B. No. 771, HD 1, SD 1, CD 1, RELATING TO CRIME (ACT 171)

H.B. No. 1878, HD 2, SD 1, RELATING TO EDUCATION (ACT 172)

H.B. No. 2455, SD 1, RELATING TO ENVIRONMENTAL SITE CLEANUP (ACT 173)

Gov. Msg. No. 258, dated June 21, 2002, transmitting H.B. Nos. 202, 1595, 1722, 1821, 1969, 2072, 2212, 2231, 2382, 2509, 2577, 2595, 2821, 2827 (line item vetoes), and 2843, without his approval, and his statement of objections relating to the measures as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 202

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. 202, entitled "A Bill for an Act Relating to Health Insurance."

The purpose of this bill is to establish parity in health insurance benefits under chapter 431M (mental health and alcohol and drug abuse treatment insurance benefits), Hawaii Revised Statutes, for minors for mental illness and alcohol and drug dependence, while carving out coverage for minors eligible to receive these benefits from the Department of Education under the *Felix* Consent Decree.

The bill is unnecessary. It purports to clarify issues involving minors and proposes to provide mental health and substance abuse benefits for minors covered by insurance. However, these benefits for minors are covered already under the existing language of chapter 431M, which makes no exclusion from existing coverage for benefits for minors.

Section 2 of this bill proposes to amend section 431M-4 to add a subsection (d) (2) that states, "Nothing in this chapter shall be construed to require coverage of mental health services for minors eligible to receive such services prescribed by the state department of education." I believe that this provision will cause confusion in its implementation as to what mental health benefits are covered by the State Department of Education (DOE) versus the coverage by private insurers. Although the legislative committee reports indicate that the Legislature intended that the carve out from the bill's scope of coverage is meant to apply to minors eligible for these services under the *Felix* Consent Decree, the wording of the bill does not reference *Felix* or special education and instead appears to broadly apply to minors directed to receive these benefits by the State DOE. The class of minors receiving benefits from the DOE would be much broader than the minors included within the *Felix* Consent Decree and could lead to confusion as to whether the DOE or private insurers provide coverage.

In addition, section 5 of the bill proposes to amend section 431M-5 to add a subsection (d) that states in part, "This chapter shall not apply to individual contracts; provided that

benefits for minors shall be provided under QUEST medical plans under the department of human services." I believe that this provision may cause confusion in its implementation as to what benefits for minors "shall be provided" under QUEST by the Department of Human Services. QUEST is the State's Medicaid managed health care program that is subject to federal Medicaid regulations. Not all minors are eligible for benefits under QUEST.

Furthermore, the bill's proposed subsection (d) (3) to be added to section 431M-4 appears to permit managed care plans to unilaterally establish standards of care, treatment guidelines, and utilization review techniques and to require treatment providers to adhere to these standards, guidelines, and utilization review. This provision appears to conflict with the letter and spirit of the Patients' Bill of Rights and Responsibilities Act, chapter 432E, Hawaii Revised Statutes. To the extent that a plan could limit the universe of treatment options under the proposed language of this bill, it would not be in harmony with the protections afforded to patients under chapter 432E, such as the patient's right stated in section 432E-4 to be fully informed before making any decision about any treatment, benefit, or nontreatment. Although section 432E-9(a) mandates plans to establish procedures for continuous review of such matters as the quality of care, performance of providers, and utilization of health services, the plans are not free to adopt these matters to the detriment of the patient and to the exclusion of the treating provider's professional judgment. For example, section 432E-9(c) provides that "utilization review requirements and administrative treatment guidelines of the health maintenance organization shall not fall below the appropriate standard of care and shall not impinge upon the independent medical judgment of the treating health care provider." The provision to be added by this bill as section 431M-4(d) (3) appears to impinge upon the independent medical judgment of the treating provider.

For the foregoing reasons, I am returning House Bill No. 202 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 202, entitled "A Bill for an Act Relating to Health Insurance," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 202 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 202 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1595

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. 1595, entitled "A Bill for an Act Relating to Public Employees."

The purpose of House Bill No. 1595 is to amend section 89C-3, Hawaii Revised Statutes, to provide that the compensation and benefit packages for excluded civil service employees be "at least equal to" the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the jurisdiction, and "equivalent or not less than" adjustments provided within the employer's jurisdiction. House Bill No. 1595, however, is a step back from the landmark legislation of the Civil Service Reform Act, Act 253, Session Laws of Hawaii 2000.

The Civil Service Reform Act was drafted to eliminate bureaucratic restrictions and permit the development of a competent and responsive governmental workforce. A major component of that legislation was the emphasis on performance, as part of the merit principle, for senior managers. New flexibility was sought to allow each of the jurisdictions to develop appropriate pay for performance programs and to establish, if appropriate, cafeteria plans or other pay and benefit packages tailored to the needs of this group. Chapter 89C was amended specifically for these purposes by (1) removing the link between managers' pay raises and pay raises obtained by their subordinate included employees through collective bargaining; and (2) authorizing variable pay, based upon performance, for this group.

History has shown that the law requiring manager pay raises to be "no less than" their included counterparts resulted in those raises being "no more than" the counterparts. Additionally, there was a conflict of interest for senior managers to have their compensation linked with the results of collective bargaining by their subordinates. The Civil Service Reform Act addressed these concerns by providing instead that the compensation and benefit packages for this group be established "in consideration of" the compensation and benefit packages provided under collective bargaining to counterparts and subordinates. House Bill No. 1595 turns back the clock by deleting the "in consideration of" language in favor of the previous "at least equal to" and "not less than" language.

Considerable effort has been expended to establish, pursuant to the Civil Service Reform Act, the pay for performance program scheduled to be put into effect on July 1, 2002, and much work has been completed in the study

of innovative cafeteria-type benefits programs for these managers. These efforts would be rendered worthless if House Bill No. 1595 were to become law.

For the foregoing reasons, I am returning House Bill No. 1595 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1595, entitled "A Bill for an Act Relating to Public Employees," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1595 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1595 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1722

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. 1722, entitled "A Bill for an Act Relating to Transportation."

The purpose of House Bill No. 1722 is to repeal the June 30, 2002, sunset date of Act 332, Session Laws of Hawaii 1993, which added a new chapter to the Hawaii Revised Statutes to regulate interisland air carriers through an Air Carrier Commission.

Section 11 of Act 332, Session Laws of Hawaii 1993, provided that the new chapter, subsequently designated as

chapter 261C, Hawaii Revised Statutes, would take effect "upon the enactment of federal legislation permitting implementation of" the State's regulation of interisland air carriers. That federal legislation has not been enacted and chapter 261C, Hawaii Revised Statutes, has never taken effect as law.

In view of the deregulation of airlines by the federal government, it is highly unlikely that federal legislation permitting the State's regulation of interisland air carriers through chapter 261C, Hawaii Revised Statutes, will be enacted. Therefore, there appears to be no reason to repeal the sunset date of Act 332, Session Laws of Hawaii 1993.

For the foregoing reason, I am returning House Bill No. 1722 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1722, entitled "A Bill for an Acting Relating to Transportation," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1722 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1722 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1821

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. 1821, entitled "A Bill for an Act Relating to the Legislative Auditor."

The purpose of this bill is to authorize the Legislative Auditor to charge "a reasonable fee" to entities on which the Office of the Legislative Auditor performs financial statement and other audits, and to create an audit revolving fund into which those fees would be deposited.

I do not believe that this funding mechanism is appropriate, because it merely allows for the movement of money from an executive branch agency to a legislative branch agency. If the Legislature chooses to authorize audits of executive branch departments by the Legislative Auditor, I believe the Legislature should appropriate moneys for that purpose to the Office of the Legislative Auditor.

This bill is also objectionable because there are no criteria for determining what a "reasonable" fee may be. For example, it is not clear whether the Legislative Auditor would be allowed under this bill to pass the cost of an outside auditing firm plus a surcharge to the audited entity.

Finally, this bill is objectionable because \$275,000 is appropriated from the general revenues of the State into the newly created audit revolving fund, but section 5 of the bill appropriates \$600,000 out of the audit revolving fund. There is no indication whether the Legislative Auditor will receive an additional \$325,000 during the fiscal year to cover the balance of the appropriation.

For the foregoing reasons, I am returning House Bill No. 1821 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1821, entitled "A Bill for an Act Relating to the Legislative Auditor," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1821 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1821 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1969

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. 1969, entitled "A Bill for an Act Relating to the Board of Education."

The purpose of this bill is to allow the Board of Education to appoint or retain by contract attorneys independent of the Attorney General. It further allows the Board of Education to be the primary hiring authority; sets forth the legal services to be provided; allows the Board to set compensation; and specifies that the Board is not precluded from requesting and securing legal services from the attorney general.

House Bill No. 1969, however, has the potential to create more legal problems and divisiveness between the Board of Education and the rest of the Department of Education and between the Board of Education and the Governor. As the attorney for the Board, the rest of the Department, including the Hawaii State Public Library System, and the Governor, it is the responsibility of the Attorney General to advise these clients, while being cognizant of the statewide implications and concerns. It is the responsibility of the Attorney General to assist in resolving disputes within the Executive Branch and certainly to assist in resolving legal disputes between the Board and the rest of the Department of Education. The Board of Education is not autonomous from the Executive Branch. As such, its interests may diverge from that of the rest of the Executive Branch, but cannot be in conflict with that of the Executive Branch.

The Attorney General previously allowed the Board of Education to retain three attorneys on its staff to write opinions and advise the Board on certain matters, with oversight having been provided by the Department of the Attorney General. On several occasions, advice given by the Board's staff attorneys has had to be changed by the Department of the Attorney General office. Because the staff attorneys are under the supervision of the Board, their advice was often an effort to provide the Board with the answer that it wished and not a correct interpretation of the law. The Board has recently requested that the Memorandum of Agreement that allowed this arrangement be revoked.

Additionally, developing a legal section would cost money and could never duplicate the resources or expertise of the Department of the Attorney General. Unless and until the Board is conferred autonomy from the Executive Branch, it is critical that the legal advice given to the Board is consistent with the legal advice given to other agencies of the Executive Branch. Otherwise, much time and effort will be spent resolving differences in positions and actions between the Board and the Governor. Moreover, oftentimes the disputes are not only between the Board and the rest of the Executive Branch, but also between the Board and the rest of the Department of Education itself.

The issues that continue to arise regarding the divergence of the Board's interests from that of the Executive Branch relate to funding. It is the Governor's and the Department of Budget and Finance's responsibility to ensure that the State's

finis is prudently managed. The bill will not resolve that problem. As was made clear in Board of Education v. Waihee, 70 Haw. 253, 768 P.2d 1279 (1989) (a lawsuit by certain members of the Board, not by the Board itself), the Governor and the Director of Finance have the authority to oversee the Executive Branch's budget, including that of the Board of Education.

In 1994, Article X of the State Constitution was amended to clarify the roles and responsibilities of the Board and the Superintendent of Education. The 1994 amendment to Section 3 of Article X limited the powers of the Board to formulating statewide educational policy, as provided by law, and appointing the Superintendent. The day-to-day management and operation of the schools was left to the Superintendent. Because it is sometimes difficult to determine what is policy and what is internal organization, operation, and management, and because of the Board's prior authority, before the 1994 amendment, to make decisions with respect to internal organization and management issues, several disagreements between the Board and the Superintendent have had to be addressed by the Department of the Attorney General.

The bill could potentially cause more conflict between the Board and the rest of the Department of Education and the Board and the Governor. If the Board has the authority to hire its own attorneys, it could lead to a circumvention of the constitutional amendment or litigation between the Board and the rest of the Department to determine whether particular actions or issues concern statewide educational policymaking or day-to-day operations. The bill could also potentially lead to legal challenges and litigation between the Board and the Governor. Such potential litigation could cost the State a lot of money with little to no ultimate benefit to the entities involved and certainly with no benefit to the State.

Because judgments against the Department of Education would continue to be funded by the Legislature, oversight of litigation must continue to be the responsibility of the Attorney General. The Board needs to be given accurate and sound legal advice. If the attorneys are employees of the Board, accurate and objective legal advice would be difficult to give to the Board.

For the foregoing reasons, I am returning House Bill No. 1969 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1969, entitled "A Bill for an Act Relating to the Board of Education," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1969 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1969 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2072

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. 2072, entitled "A Bill for an Act Relating to Social Welfare."

The purpose of this bill is to appropriate \$1,000,000 out of the Emergency Budget and Reserve Fund for the Housing and Community Development Corporation of Hawaii (HCDCH) to provide housing assistance to Hawaii's needy who may have been adversely affected by the events of September 11, 2001.

Although the purpose of this bill is commendable, with the passage of time there is a reduced connection between the September 11, 2001, terrorist attacks and the unemployment rate. In fact, recent data show that the unemployment rate was lower in April 2002 than in the months immediately following September 11. Consequently, there does not appear to be a need to indefinitely extend the emergency assistance grant and loan program that was funded by appropriations out of the Emergency Budget and Reserve Fund by Act 1, Third Special Session Laws of Hawaii 2001.

Furthermore, the housing assistance under this bill could be used by homeowners not only for rental and utility expenses, but also for mortgage payments. Homeowners can negotiate with their mortgage lenders for changes to their mortgage payment plans. The Emergency Budget and Reserve Fund should not be used for mortgage assistance when alternative relief is available.

Finally, current financial conditions dictate that we be prudent in the expenditure of funds for new programs. The HCDCH already has a grant program to assist persons who need emergency assistance with housing costs.

For the foregoing reasons, I am returning House Bill No. 2072 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2072, entitled "A Bill for an Act Relating to Social Welfare," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2072 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2072 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2212

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. 2212, entitled "A Bill for an Act Relating to Alien Invasive Species."

The purpose of this bill is to permit the establishment of a temporary board to be named the "Hawaii Invasive Species Council," administratively attached to the Office of the Governor, to coordinate state efforts to combat invasive species.

This bill does not specify who has the authority to establish the temporary council. The bill is unnecessary, because its objective to coordinate state efforts can be accomplished administratively or a temporary board or commission to gather information or furnish advice can be established by a Governor's executive order under section 26-41, Hawaii Revised Statutes. In addition, as the council is constituted in this bill, the council's meetings require attendance of the members, who are various state department heads, without provision for a designee to attend in the event of a member's unavailability.

For the foregoing reasons, I am returning House Bill No. 2212 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2212, entitled "A Bill for an Act Relating to Alien Invasive Species," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2212 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2212 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2231

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. 2231, entitled "A Bill for an Act Relating to the Auditor."

The purpose of House Bill No. 2231 is to clarify the confidential nature of the Auditor's records in the education area. House Bill No. 2231, however, poses constitutional issues relating to the separation of powers and the Supremacy Clause.

The separation of powers issues are twofold. First, the bill attempts to make the Legislature's Auditor "an authorized representative of the department of education and department of health, a state educational authority, or a state educational official" for purposes of obtaining access to any student or other records. The Legislature's Auditor is not an "authorized representative" of either the Department of Education (DOE) or the Department of Health (DOH). To require executive

branch agencies to accept the Legislature's Auditor as an authorized representative impinges upon the Executive Branch's authority and administrative function of determining who may act on its behalf. Second, this bill poses a separation of powers issue if the Legislature's Auditor is made an authorized representative of an executive branch agency, especially when the Legislature's Auditor is performing official duties of auditing the particular department for the Legislature. To require this by statute intrudes into the executive branch agency's functions and causes a conflict of interest when the Legislature's Auditor must audit the agency for which the Auditor is deemed to be an authorized representative.

With respect to the Supremacy Clause issue, attempting to include the Legislature's Auditor into the federal definition of an authorized representative of the State's educational authority cannot be accomplished through state law. The Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, provides that the DOE cannot make accessible nor release any educational records of personally identifiable information without written consent of the student or parent, except under nine specific exceptions. The FERPA provisions pertinent to this bill are 20 U.S.C. § 1232g(b) (3) and (5). Under both provisions, access for audit purposes is only to authorized representatives of the State's educational authorities (20 U.S.C. § 1232g(b) (3)) or State and local educational officials (20 U.S.C. § 1232g(b) (5)). The Legislature's Auditor is neither an authorized representative nor a state educational official.

In any case, release of information and records for audit purposes must be in connection with an audit and evaluation of federally supported education programs, or in connection with the enforcement of the federal legal requirements relating to such programs. 20 U.S.C. § 1232g(b) (3).

FERPA and the corresponding administrative rule (chapter 8-34, Hawaii Administrative Rules) already allow the Auditor access to these records with the issuance of a subpoena by the Auditor and notification of the subpoena to the parent or eligible student by the DOE in advance of compliance, so that the parent or eligible student can seek protective action if they desire.

For the foregoing reasons, I am returning House Bill No. 2231 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2231, entitled "A Bill for an Act Relating to the Auditor," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2231 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2231 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2382

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. 2382, entitled "A Bill for an Act Relating to Correctional Facilities."

The purpose of the bill is to require a public notice and comment period of at least sixty days before constructing a new correctional facility, expanding an existing correctional facility, or initiating any capital improvement project with a cost in excess of \$500,000.

The goal of keeping the public informed and involved is an admirable one. Unfortunately, the bill is overbroad and could delay some major safety and security projects that are not related to expansion. For example, this bill would have delayed projects for the installation of fire sprinklers and security cameras, for the replacement of sewer lines, and for the upgrade of electrical systems. The correctional facilities needed these improvements for the safety of the inmates and the security of the public, and a delay in construction as proposed by this bill would serve little or no purpose.

Furthermore, to the extent an Environmental Assessment or Environmental Impact Statement is needed for new construction, existing law already allows for public notice and comment. Accordingly, this bill provides no added benefits for these types of projects.

For the foregoing reasons, I am returning House Bill No. 2382 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die

or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2382, entitled "A Bill for an Act Relating to Correctional Facilities," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2382 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2382 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2509

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. 2509, entitled "A Bill for an Act Relating to Parking for Persons with Disabilities."

This bill would prohibit parking in the access aisle adjacent to a parking space reserved for persons with disabilities and would impose a \$100 fine for doing so. It would also reduce from \$250 to \$100 the minimum fine for parking in a space reserved for persons with disabilities without an official parking placard, but it would leave the maximum fine at \$500. Finally, it would postpone the date by which private and public entities must comply with signage posting and other requirements for parking spaces for persons with disabilities. That date is currently July 1, 2002; the bill would delay the deadline for another year, to July 1, 2003.

This bill is objectionable because it lowers the minimum fines for violations of the Parking for Disabled Persons law. It reduces the current minimum fine of \$250 to \$100 for parking in a space reserved for persons with disabilities without properly displaying a removable windshield placard, for failing to present an identification card to an enforcement officer upon request, and for any private entity failing to comply with the Parking for Disabled Persons law. Although House Bill No. 2509 prohibits, and establishes a penalty for, parking in an access aisle adjacent to a parking space reserved for persons with disabilities, the bill as passed reduces the fine for parking in an access aisle to \$100. In its original form, the bill would have imposed a fine of \$250 for such a violation. The reduction in minimum fines for violations of the Parking for Disabled Persons law minimizes the deterrent effect of the fines and was made without public

comment or input. The delay in implementing signage requirements will also dilute the effectiveness of the law.

For the foregoing reasons, I am returning House Bill No. 2509 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2509, entitled "A Bill for an Act Relating to Parking for Persons with Disabilities," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2509 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2509 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2577

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. 2577, entitled "A Bill for an Act Relating to Development of Public Lands."

The purpose of House Bill No. 2577 is to clarify that disposition of public lands for "maritime related" operations may be negotiated without regard to limitations set forth in sections 171-59(a) and 171-16(c), Hawaii Revised Statutes.

This bill deletes the term "marine" and adds the term "maritime related" to the operations for which leases may be negotiated under the provisions of section 171-59(b), Hawaii Revised Statutes. This bill further defines "maritime related"

as "a purpose or activity that requires and is directly related to the loading, off loading, storage, or distribution of goods, and services of the maritime industry" (underscoring emphasis added).

The definition of "maritime related" appears specifically to exclude activities supporting recreational boating and the ocean recreation industry that are prevalent throughout boating facilities under the jurisdiction of the Department of Land and Natural Resources, such as carrying passengers for hire and marine fueling and vessel repair facilities, which traditionally have been considered to be "maritime related." Furthermore, this bill could preclude the use of section 171-59, Hawaii Revised Statutes, for the purposes of leasing parcels within state small boat harbors to private entities for the purpose of generating additional revenue for the state boating program, and providing additional goods and services to the users of state boating facilities that are beyond the capability of state resources.

For the foregoing reasons, I am returning House Bill No. 2577 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2577, entitled "A Bill for an Act Relating to Development of Public Lands," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2577 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2577 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2595

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 without my approval, House Bill No. 2595, entitled "A Bill for an Act Making an Appropriation to Enhance Agricultural Tourism Venues."

The purpose of this bill is to appropriate \$500,000 out of the Tourism Special Fund for fiscal year 2002-2003 "for the enhancement of agricultural tourism venues" to be expended by the Hawaii Tourism Authority (HTA). The Legislature found that "key sites and events that involve both tourism and agriculture, such as overnight accommodations at farms and ranches and educational tours in agricultural areas, should be identified and systematically developed."

This bill is objectionable because it dictates to the HTA how to spend and how much to spend on agricultural tourism. The primary purpose for the creation of the HTA was to have one state entity responsible for the development and promotion of tourism. It is the role of the HTA board to decide how to allocate money from the Transient Accommodations Tax, including the extent to which that money should support agricultural tourism projects, and this bill unduly interferes with the HTA's exercise of its discretion. Furthermore, it is my understanding that the HTA has in fact allocated some money for agricultural tourism projects and, to that extent, this bill is also unnecessary.

For the foregoing reasons, I am returning House Bill No. 2595 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2595, entitled "A Bill for an Act Making an Appropriation to Enhance Agricultural Tourism Venues," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2595 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2595 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2821

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. 2821, entitled "A Bill for an Act Relating to State Departments."

The purpose of House Bill No. 2821 is to abolish the position of deputy or assistant to the head of any department of the State, except the university of Hawaii and the Department of Education. The Legislature believed that, based on reasons related to "economy, expediency, and accountability, division and branch chiefs of a state executive department should report directly to the head of the department."

However, deputy directors and assistants to department heads play key roles in the operations of state executive departments and the elimination of such positions would most likely not lead to the desired result. In fact, due to the numerous demands on the time and attention of department heads, which may include serving on several boards, commissions, and governmental corporations, review of voluminous amounts of documentation and complex decision making, and attending and presiding over many public and official meetings and events, just the opposite effect may occur, because it is unreasonable to expect a director to solely manage an executive department without the assistance of a deputy or assistant. In addition, a deputy or assistant is needed to act in the place of a director in the director's absence due to travel on official business, vacations, or illnesses. While it is possible for a division or branch chief to assume the functions of a director for very limited durations, it would not be reasonable to expect the division or branch chief to handle the division or branch responsibilities and department-wide responsibilities for any longer periods of time.

Furthermore, the bill may create a potential conflict of interest or separation of authority problem within the Department of Defense. A single executive, the Adjutant General, heads the Department of Defense. However, the functions of the Adjutant General are divided into two distinct components: military command and civil defense. Pursuant to section 26-21, Hawaii Revised Statutes, the Adjutant General shall also be the Director of Civil Defense. The Legislature previously expressed its intent to clearly separate the military and civil defense functions of the Department of Defense. Section 26-21 provides that "[t]he devolution of command of the military forces in the absence of the adjutant general shall be within the military establishment" and "[t]he devolution of command of the civil defense agency in the absence of the director of civil defense shall be within the civil defense agency." Currently, the military and civil defense components of the Department of Defense are separated by appointments of a Deputy Adjutant General and a Vice Director of Civil Defense. Elimination of these deputy director positions would cause problems concerning the separation of military and civil defense functions and the chain of command for each of these functions.

For the foregoing reasons, I am returning House Bill No. 2821 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2821, entitled "A Bill for an Act Relating to State Departments," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2821 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2821 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2827

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. 2827, entitled "A Bill for an Act Relating to the State Finances."

The purposes of this bill are to: establish the Litigation Deposits Trust Fund; establish criteria for the establishment and continuance of special funds, revolving funds, and administratively established accounts and funds; permit the Emergency and Budget Reserve Fund to be available as a source of funding for education programs; reclassify or repeal certain special and revolving funds pursuant to the recommendations of the Legislative Auditor; and transfer moneys from certain special and revolving funds to the general fund.

Section 5 of Article VII of the State Constitution provides that "[n]o public money shall be expended except pursuant to appropriations made by law." The removal of money from the special and revolving funds are expenditures of those funds that must be authorized by "appropriations made by law." While this bill uses the term "transfer" to authorize the removal of money out of various special and revolving funds and the deposit of those moneys into the general fund, I believe that the Legislature clearly expressed its intent to authorize the expenditure of money out of the specified special and revolving funds and that these transfers are "appropriations made by law" within the meaning of Section 5 of Article VII of the State Constitution.

While the bill as a whole has merit, I object to the following appropriations for the reasons indicated:

1. The \$23,000,000 revolving fund appropriation for fiscal year 2002-2003 from the Dwelling Unit Revolving Fund for deposit to the general fund, designated in section 25 on page 19 of the bill. While the Legislature determined that there was \$23,000,000 in excess of the requirements of this fund and authorized the deposit of that amount to the general fund, I believe that a reduction of that magnitude would adversely impact the fund's ability to carry out its intended purposes.

2. The \$4,000,000 revolving fund appropriation for fiscal year 2002-2003 from the Hawaii Capital Loan Revolving Fund for deposit to the general fund, designated in section 28 on page 20 of the bill. While the Legislature determined that there was \$4,000,000 in excess of the requirements of this fund and authorized the deposit of that amount to the general fund, I believe that a reduction of that magnitude would adversely impact the fund's ability to carry out its intended purposes.

3. The \$33,000,000 special fund appropriation for fiscal year 2002-2003 from the Compliance Resolution Fund for deposit to the general fund, designated in section 39 on pages 23-24 of the bill. While the Legislature determined that there was \$33,000,000 in excess of the requirements of this fund and authorized the deposit of that amount to the general fund, I believe that a reduction of that magnitude would adversely impact the fund's ability to carry out its intended purposes.

4. The \$4,000,000 in special fund appropriations consisting of a \$2,000,000 special fund appropriation effective on July 1, 2002, and a \$2,000,000 special fund appropriation effective on December 1, 2002, for fiscal year 2002-2003 from the Insurance Regulation Fund for deposit to the general fund, designated in section 40 on page 24 of the bill. While the Legislature determined that there was \$4,000,000 in excess of the requirements of this fund and authorized the deposit of that amount to the general fund, I believe that a reduction of that magnitude would adversely impact the fund's ability to carry out its intended purposes.

5. The \$1,000,000 in special fund appropriation for fiscal year 2002-2003 from the Use of School Facilities for Recreational and Community Purposes Fund for deposit to the general fund, designated in section 41 on pages 24-25 of the bill. According to Conference Committee Report No. 160-02 on this bill, the Legislature intended to delete this appropriation. However, this appropriation was included when the bill was passed. I believe that the Legislature's intent regarding this appropriation should be carried out.

6. The \$9,150,000 special fund appropriation for fiscal year 2002-2003 from the Special Land and Development Fund for deposit to the general fund, designated in section 55 on page 29 of the bill. While the Legislature determined that there was \$9,150,000 in excess of the requirements of this

fund and authorized the deposit of that amount to the general fund, I believe that a reduction of that magnitude would adversely impact the fund's ability to carry out its intended purposes.

Section 16 of Article III of the State Constitution provides that, "[e]xcept for items appropriated to be expended by the judicial and legislative branches, the governor may veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same." Because of the foregoing objections, I have taken the following actions pursuant to my line item veto authority:

1. Reduced the \$23,000,000 revolving fund appropriation out of the Dwelling Unit Revolving Fund for fiscal year 2002-2003 to be deposited into the general fund in section 25 (on page 19) and changed it to \$12,000,000.

2. Reduced the \$4,000,000 revolving fund appropriation out of the Hawaii Capital Loan Revolving Fund for fiscal year 2002-2003 to be deposited into the general fund in section 28 (on page 20) and changed it to \$2,000,000.

3. Reduced the \$33,000,000 special fund appropriation out of the Compliance Resolution Fund for fiscal year 2002-2003 to be deposited into the general fund in section 39 (on pages 23-24) and changed it to \$26,000,000.

4. Reduced the \$2,000,000 special fund appropriation out of the Insurance Regulation Fund for fiscal year 2002-2003 to be deposited into the general fund on July 1, 2002, in section 40 (on page 24) and changed it to \$0.

5. Reduced the \$1,000,000 special fund appropriation out of the Use of School Facilities for Recreational and Community Purposes Fund for fiscal year 2002-2003 to be deposited into the general fund in section 41 (on pages 24-25) and changed it to \$0.

6. Reduced the \$9,150,000 special fund appropriation out of the Special Land and Development Fund for fiscal year 2002-2003 to be deposited into the general fund in section 55 (on page 29) and changed it to \$7,150,000.

For the foregoing reasons, I am returning House Bill No. 2827 with the reductions in sections 25, 28, 39, 40, 41, and 55 set forth above totaling \$13,000,000 in revolving fund appropriations for fiscal year 2002-2003, and totaling \$12,000,000 in special fund appropriations for fiscal year 2002-2003.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2827, entitled "A Bill for an Act Relating to the State Finances," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 16 of Article III, the Governor may veto any specific item or items in any bill that appropriates money for specific purposes by striking out or reducing the same; and

WHEREAS, House Bill No. 2827 appropriates money for specific purposes and certain appropriation items in that bill are unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2827 with my objections to certain appropriation items contained therein, to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2843

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. 2843, entitled "A Bill for an Act Relating to Elections."

The purposes of this bill are to (1) require all special elections other than those held in conjunction with a primary or general election to be conducted by mail, with the provision that a voter will be allowed to vote in person at a special election polling place up to ten working days before the date of the special election; (2) mandate recounts for elections with small vote differences; (3) provide separate ballots for each party in the primary election; and (4) clarify the time of conviction for the disqualification of elected officials convicted of election frauds.

The mandated recounts for elections with small vote differences will result in problems when applied to primary elections, because the period of time between primary elections and general elections was not increased. The Office of Elections may have a very limited period of time to prepare the ballots for the general election. Moreover, our overseas citizens may not have a fair opportunity to vote by absentee ballot, in violation of the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA).

A fair opportunity to vote by absentee ballot would be one in which election officials mail an absentee ballot to a voter on a date sufficiently in advance of election day to allow the voter to receive the ballot, cast his or her vote, and return the ballot to the election official by the close of the polls on election day. Currently, the Federal Voting Assistance Program recommends a minimum of forty-five days for the round trip. Forty-two states provide a minimum of forty-five

days. In this State, there are approximately forty-five days between the primary election and the general election, depending on the election year. At a minimum, thirty-four days is provided for under the current law if a contest for cause is filed, because eleven days are allowed for such election contests (contests for cause must be filed within six days of the primary election and a decision rendered within five days of that by the Supreme Court). After the contest for cause is decided, the general election ballot will have to be prepared before absentee ballots can be mailed out, which means that the actual time remaining before the general election will be less than thirty-four days.

The mandatory recount provisions of this bill will shorten that period by as much as seven more days. If election results show the small differences set forth in this bill, the results must be recounted no later than seven days after the election. If a recount is made, the eleven-day contest filing and court decision period for that election will not begin until the recount is completed. When the federal government sued the State under UOCAVA in 1986, it was noted that a reasonable time for delivery by the United States Postal Service and the United States Department of State was ten to fourteen days, each way, and that the Military Postal Service Agency estimated thirty to thirty-five days for delivery and return of an absentee ballot. Consequently, the mandatory recount provisions, without the increase in time period between the special and general elections, may result in violations of UOCAVA.

For the foregoing reasons, I am returning House Bill No. 2843 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2843, entitled "A Bill for an Act Relating to Elections," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2843 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2843 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 259, dated June 21, 2002, transmitting his statement of objections to Senate Bill Nos. 23, 251, 552, 706, 859, 997, 2043, 2093, 2498, 2500, 2568, 2772, 2867, 2900, 2985, 3018, 3048 and 3053 which he has returned to the Senate without his approval and which reads as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 23

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. 23, entitled "A Bill for an Act Relating to Disaster Relief."

The purpose of Senate Bill No. 23 is to authorize paid leave for state and county employees who are certified American Red Cross disaster volunteers to participate in disaster relief services for the American Red Cross, when a disaster is designated as level III or higher by American Red Cross regulations, officially declared by the President of the United States, or declared a state of emergency by the Governor.

This bill would add a new statute for paid leave in addition to current leave provisions in public employer collective bargaining agreements. However, Act 253, Session Laws of Hawaii 2000, enacted to reform the public employment laws, created "bright lines" and deferred matters that are subject to negotiations at the bargaining table, such as leave issues involving reductions in vacation and sick leave, which were done for some of the bargaining units in the past year. Thus, issues involving leave for public employees may be better dealt with as subjects of collective bargaining negotiations rather than of legislation.

Furthermore, statutes such as sections 127-10 and 127-11 and chapter 128, Hawaii Revised Statutes, pertaining to disaster relief and civil defense emergencies, and administrative directives and emergency plans and policies already exist that would enable the Governor to allow state employees who have been designated as emergency workers to take such leaves. There does not appear to be any need to enact an unnecessary statute that is limited to the activities of only one of the non-governmental disaster relief organizations.

For the foregoing reasons, I am returning Senate Bill No. 23 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die

or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 23, entitled "A Bill for an Act Relating to Disaster Relief," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 23 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 23 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 251

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. 251, entitled "A Bill for an Act Relating to Professional Counselors."

The purpose of this bill is to establish a professional counselor licensing program within the Department of Commerce and Consumer Affairs (DCCA) by setting education, experience, and examination requirements for professional counselors. In particular, this bill requires a master's or doctoral degree in counseling or a related field, and passage of an examination.

These dual requirements exceed the minimum qualifications set by federal law, as well as the minimum qualifications being established by the Department of Human Services (DHS) for positions in its Vocational and Rehabilitation Services for the Blind Division. In addition, the bill's requirements exceed the qualifications of many DHS Vocational Rehabilitation Specialists and their supervisors. Because the bill does not exempt or grandfather current Vocational Rehabilitation Specialists, more than half of those specialists may have to be terminated from the DHS. This would adversely impact services to individuals with disabilities in need of rehabilitation to return to work.

The bill also establishes a professional counselors licensing program startup trust fund ("Startup Fund") into which contributions received by the State designated for the Startup Fund and all other gifts not otherwise conditioned shall be deposited. Such a Startup Fund is unique and unlike any of the funds for other regulated professions and vocations. Rather than having a general appropriation to aid

DCCA in administering a regulatory program before that program is able to support itself through licensing fees, the Startup Fund uses private, non-appropriated funds such as contributions and gifts to the State to finance the professional counselor program. In addition to this unique feature, the Startup Fund precedes by two years the actual regulation of professional counselors and conditions the beginning of regulation on having at least \$43,000 in the Startup Fund by October 1, 2003.

Lastly, the establishment of a new professional counselor program will incur staff salary costs of approximately \$86,000 to \$129,000 annually to administer the program. The Legislative Auditor conducted three recent sunrise studies on the regulation of professional counselors (1988 and 1992), and professional mental health counselors and professional rehabilitation counselors (1999), and concluded in all three studies that there is "very limited evidence of consumer harm," that these occupations "pose no significant harm to consumers," that regulation is not required for the profession, and that "regulation would benefit counselors more than consumers."

For the foregoing reasons, I am returning Senate Bill No. 251 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 251, entitled "A Bill for an Act Relating to Professional Counselors," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 251 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 251 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 552

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. 552, entitled "A Bill for an Act Making an Appropriation for a Korean War Museum."

The purpose of this bill is to appropriate money for the construction of a Korean War Museum in Hawaii. This bill appropriates \$5,000 for fiscal year 2002-2003 with a condition that "funds shall be made available . . . only to the extent that the federal government and other sources provide \$2 for every \$1 appropriated."

It is my understanding that the actual cost to construct a national Korean War Museum in Hawaii is unknown at this time and neither funding nor a location for this museum has been secured. Furthermore, I have been informed that, depending on the amount of money raised, a monument rather than a museum might be constructed, but money appropriated for the construction of a museum cannot be used for the construction of a monument. Thus, there are too many uncertainties regarding this project at this time.

For the foregoing reasons, I am returning Senate Bill No. 552 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 552, entitled "A Bill for an Act Making an Appropriation for a Korean War Museum," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 552 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 552 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 706

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. 706, entitled "A Bill for an Act Relating to State Government."

The purpose of this bill is to establish a three-year loss mitigation grant pilot program under the auspices of the Insurance Commissioner to provide grants to property owners for the installation of wind resistive devices. The bill appropriates \$2,000,000 in general funds and \$2,000,000 in special funds for fiscal year 2002-2003 to implement the loss mitigation grant program. Also, the bill provides that the interest income earned from the principal in the Hurricane Reserve Trust Fund (HRTF) is to be transferred to the general fund. The bill appropriates \$29,000,000 out of the HRTF for deposit to the general fund. In addition, the bill provides immunity to the State, the Hawaii Hurricane Relief Fund (HHRF), the Insurance Commissioner, or their agents or employees, for actions relating to the loss mitigation grant program or the transfer of moneys to or from the HRTF.

By way of a brief background, the HHRF was created in 1993 to insure against hurricane losses in Hawaii in the aftermath of the devastation caused by Hurricane Iniki and the worldwide insurance crisis. Without hurricane coverage, the orderly growth and development of the State would have been severely impeded. Presently, the homeowners insurance market has stabilized with several insurers offering hurricane coverage again. In light of this, the HHRF stopped writing new policies, stopped renewing existing policies, and as of December 1, 2001, stopped providing any hurricane insurance coverage.

The loss mitigation grant program proposed by the bill will provide grants to property owners that will reimburse fifty percent of the costs incurred for the installation of wind resistive devices, up to \$2,100 per dwelling. To fund the loss mitigation grant program, the Legislature appropriated \$2,000,000 in general funds for fiscal year 2002-2003 for deposit into the Loss Mitigation Grant Fund. The Legislature then appropriated out of the Loss Mitigation Grant Fund \$2,000,000 for fiscal year 2002-2003 to implement the loss mitigation grant program.

For the first year of the loss mitigation grant program, grants may only be made to former policyholders of the HHRF. I believe that if grants were to be awarded, all property owners should be eligible, because there does not appear to be a logical reason to limit the grants to former HHRF policyholders. The HHRF policyholders have already benefited from paying their HHRF premiums, because they received the coverage they paid for. In addition, premiums are not the only source of revenue for the HHRF. The HHRF also received moneys from the special mortgage recording fee and from assessments on property and casualty insurers.

Furthermore, this bill is objectionable due to the relatively small number of property owners that would be served by the loss mitigation grant program. From the \$2,000,000 appropriation out of the Loss Mitigation Grant Fund for fiscal

year 2002-2003 for the loss mitigation grant program, the Insurance Commissioner must pay for the administrative costs of the program, as well as the grants for the program. Even if I were to assume that no administrative costs would be deducted from the \$2,000,000 appropriation, based on the maximum grant of \$2,100 per property owner, only 952 grants could be made in the first year.

For the reasons set forth above, while the bill as a whole has merit, I object to the following appropriations:

1. The \$2,000,000 general fund appropriation for fiscal year 2002-2003 for deposit into the Loss Mitigation Grant Fund, designated in section 6, on page 11 of the bill. I believe that grants from the Loss Mitigation Grant Fund should not be limited to former policyholders of the HHRF and benefit only a small number of property owners. Consequently, I believe that it is not necessary for the general fund to provide funding to the Loss Mitigation Grant Fund to implement the loss mitigation grant program.

2. The \$2,000,000 special fund appropriation for fiscal year 2002-2003 out of the Loss Mitigation Grant Fund to implement the loss mitigation grant program, designated in section 6, page 12 of the bill. I believe that grants from the Loss Mitigation Grant Fund should not be limited to former policyholders of the HHRF and benefit only a small number of property owners.

Section 16 of Article III of the State Constitution provides that, "[e]xcept for items appropriated to be expended by the judicial and legislative branches, the governor may veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same." Because of the foregoing objections, I have taken the following actions pursuant to my line item veto authority:

1. Striking out by drawing a line through the \$2,000,000 general fund appropriation for fiscal year 2002-2003 to be deposited into the Loss Mitigation Grant Fund in section 6 (on page 11) and changing it to \$0.

2. Striking out by drawing a line through the \$2,000,000 special fund appropriation out of the Loss Mitigation Grant Fund for fiscal year 2002-2003 to implement the loss mitigation grant program in section 6 (on page 12) and changing it to \$0.

For the foregoing reasons, I am returning Senate Bill No. 706 with the appropriations in section 6 stricken as set forth above totaling \$2,000,000 in general fund appropriations for fiscal year 2002-2003 and totaling \$2,000,000 in special fund appropriations for fiscal year 2002-2003.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 706, entitled "A Bill for an Act Relating to State Government," passed by the

Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 16 of Article III, the Governor may veto any specific item or items in any bill that appropriates money for specific purposes by striking out or reducing the same; and

WHEREAS, Senate Bill No. 706 appropriates money for specific purposes and certain appropriation items in that bill are unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 706 with my objections to certain appropriation items contained therein, to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 859

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. 859, entitled "A Bill for an Act Relating to Parole."

The purpose of the bill is to establish an earned-time program for eligible inmates that will allow them to reduce their minimum terms of imprisonment set by the Hawaii Paroling Authority by up to twenty-five percent. However, the bill is unnecessary because the Hawaii Paroling Authority already has the authority to reduce minimum terms of imprisonment for inmates who have demonstrated progress in rehabilitation.

Furthermore, under this bill, eligible inmates will have a liberty interest in earned-time credits protected by the Due Process Clause of the United States Constitution and considerable litigation over each inmate's minimum term of imprisonment is foreseeable. Nevertheless, this bill does not appropriate any money to handle this additional litigation burden or the considerable logistical and financial problems in setting up and implementing the earned-time credit program. Finally, this bill does not provide any consideration for the person's criminal history, the crime committed, or the impact on the victim and the victim's family.

For the foregoing reasons, I am returning Senate Bill No. 859 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 859, entitled "A Bill for an Act Relating to Parole," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 859 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 859 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 997

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. 997, entitled "A Bill for an Act Relating to Criminal Offenses."

The purpose of this bill is to direct the Judicial Council of Hawaii to convene a task force to engage in a comprehensive review of criminal charging procedures for the purpose of recommending to the Legislature, before the regular session of 2003, any necessary amendments to existing procedures. In addition, this bill directs the task force to review differing charging procedures throughout the nation, applicable state statutes and rules from jurisdictions other than Hawaii, cost factors involved with various charging procedures used in other jurisdictions, evaluations of statutes and charging procedures and the anticipated impact of enacting similar laws in Hawaii, and other relevant issues as deemed appropriate for discussion by the task force.

It is my understanding that the Judicial Council is willing to appoint a task force to conduct the review, but it does not have any professional staff to perform the necessary legal research for the task force. In order to perform the comprehensive review that will be mandated by this bill, the task force would need to hire at least one temporary legal researcher and would need about \$60,000. However, this bill does not include any appropriation of funds to hire a legal researcher.

For the foregoing reason, I am returning Senate Bill No. 997 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 997, entitled "A Bill for an Act Relating to Criminal Offenses," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 997 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 997 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2043

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. 2043, entitled "A Bill for an Act Relating to Adoption."

The purpose of this bill is to establish a temporary advisory task force, to be convened by Volunteer Legal

Services Hawaii, to study the legal ramifications of integrating the Hawaiian cultural practice of *hanai* into the statutes and propose legislation for consideration during the regular session of 2004.

This bill is unnecessary. Volunteer Legal Services Hawaii is a registered tradename of a Hawaii nonprofit corporation and is not a government agency. The legislative committee reports indicate that the nonprofit corporation is willing to convene the task force without public funding. This bill does not provide any money. The objective of this bill could have been achieved through a resolution requesting that the nonprofit corporation convene the advisory task force.

For the foregoing reasons, I am returning Senate Bill No. 2043 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2043, entitled "A Bill for an Act Relating to Adoption," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2043 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2043 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2093

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. 2093, entitled "A Bill for an Act Relating to Health Insurance."

The purpose of this bill is to add new provisions to the insurance chapters in the Hawaii Revised Statutes to provide immunity from civil liability for a person reporting health insurance fraud, except where that person has acted with malice or committed perjury. This bill will add the immunity provision to article 10A (accident and sickness insurance contracts) of chapter 431 (Insurance Code), chapter 432 (mutual benefit societies), and chapter 432D (health maintenance organizations).

Although this bill provides immunity for persons reporting fraud to the Insurance Commissioner, it does not provide the means for the Insurance Commissioner to investigate or prosecute fraud relating to health insurance. The authority for the Insurance Division's fraud investigations unit is found in section 431:10C-307.8, which is in the motor vehicle insurance laws, article 10C of chapter 431 of the Hawaii Revised Statutes. Article 10C (motor vehicle insurance) of chapter 431 does not apply to mutual benefit societies under chapter 432 or to health maintenance organizations under chapter 432D.

Furthermore, the bill is flawed because it does not provide immunity to persons who report the fraud to the affected health plan. This bill only authorizes immunity to persons providing information to the Insurance Commissioner, the National Association of Insurance Commissioners, any federal, state, or county law enforcement or regulatory agency, or "another insurer." Because most reports of fraud are given to the affected health plan, not "another insurer," the bill greatly reduces the practical benefits of the immunity.

For the foregoing reasons, I am returning Senate Bill No. 2093 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2093, entitled "A Bill for an Act Relating to Health Insurance," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2093 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2093 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2498

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. 2498, entitled "A Bill for an Act Relating to Social Work."

The purpose of this bill is to repeal the January 1, 2003, sunset date of Act 229, Session Laws of Hawaii 2001, which allows social workers to perform clinical diagnosis or psychotherapy.

House Bill No. 2056, also entitled "A Bill for an Act Relating to Social Work" and also passed by the Legislature, contains in section 17 an identical provision to repeal the sunset date. Because I intend to approve House Bill No. 2056, which will accomplish the purpose of this bill, there is no need to also approve this bill.

For the foregoing reasons, I am returning Senate Bill No. 2498 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

" P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2498, entitled "A Bill for an Act Relating to Social Work," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2498 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2498 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2500

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. 2500, entitled "A Bill for an Act Relating to Human Services."

The purpose of Senate Bill No. 2500 is to require the Department of Human Services (DHS) to contract for legal services to maximize collections from the federal Medicare program for recipients who are dually eligible for Medicare and Medicaid. The bill requires a contingency fee arrangement under which the contractor would receive one-third of the Medicare funds recovered and requires the DHS to make available to the contractor all information to identify adequately claims for dually eligible Medicare and Medicaid recipients.

Because this bill specifies that the contractor must receive one-third of the Medicare funds recovered, the potential savings to the State is very limited. The bill gives DHS no flexibility in negotiating the cost of the contractor's services. Costs of the Medicaid program are split between the federal government (56.34 percent) and the State (43.66 percent). At any time after Medicaid pays for services, if the State recovers costs from the fully federal-funded Medicare program or any other source of funding, the State must reimburse to the federal Medicaid agency 56.34 percent of any such recovery. If 33.33 percent of the federal funds recovered from Medicare is paid to the legal services contractor, a total of 89.67 percent of the recovery will be paid to the federal Medicaid agency and the contractor. The remaining part of only 10.33 percent of the recovery would be the State's part of the recovered funds, which must also cover the administrative costs of providing information to the legal services contractor.

Moreover, DHS is currently negotiating a contract to identify and maximize recoveries from Medicare and all other liable third parties. Accordingly, the bill is also unnecessary.

For the foregoing reasons, I am returning Senate Bill No. 2500 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

" P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2500, entitled "A Bill for an Act Relating to Human Services," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2500 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2500 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2568

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. 2568, entitled "A Bill for an Act Relating to Language Access for Persons with Limited English Proficiency."

The purpose of Senate Bill No. 2568 is to create the Hawaii Commission on Language Access within the Department of the Attorney General for administrative purposes. The Commission is to develop a statewide plan to enhance access to services for persons with limited English proficiency, submit its recommendations to the Legislature by December 1, 2003, and dissolve upon adjournment sine die of the 2004 regular session. The Commission is to consist of thirteen members appointed by the Governor. Although Commission members are to serve without compensation, they are to be reimbursed for expenses, including travel expenses, necessary to perform their duties.

In its original form, this bill included an appropriation for fiscal year 2002-2003 for the Department of the Attorney General to fund part-time administrator and support staff positions and necessary expenses of Commission members.

The conference committee deleted the appropriation from the bill. As a result, this bill will require the Department of the Attorney General to divert staff to administer and support the Commission and to reimburse Commission members for

expenses necessary to perform their duties without any additional funding. In short, this bill would divert existing resources of the Department of the Attorney General from other essential tasks.

For the foregoing reasons, I am returning Senate Bill No. 2568 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2568, entitled "A Bill for an Act Relating to Language Access for Persons with Limited English Proficiency," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2568 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2568 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2772

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. 2772, entitled "A Bill for an Act Relating to Tattoo Artists."

The purpose of this bill is to amend section 321-377, Hawaii Revised Statutes, which currently authorizes the Director of Health to suspend or revoke tattoo artists' licenses for certain listed reasons, to give the Director of Health the additional authority to deny renewals of tattoo artists' licenses for the same reasons.

House Bill No. 2514, entitled "A Bill for an Act Relating to Tattoo Artists," was also passed during the regular session of 2002. Because House Bill No. 2514 amended the same statute to accomplish the same purpose and I approved House Bill No. 2514 as Act 34 of the Session Laws of Hawaii 2002, there is no need to also approve Senate Bill No. 2772.

For the foregoing reason, I am returning Senate Bill No. 2772 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2772, entitled "A Bill for an Act Relating to Tattoo Artists," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2772 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2772 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2867

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. 2867, entitled "A Bill for an Act Relating to Medicaid."

The purpose of Senate Bill No. 2867 is to prohibit the Department of Human Services (DHS) from submitting proposed amendments to the State Plan for Medical Assistance Programs (State Plan) to eliminate or diminish the

DRI McGraw-Hill inflation component and return on equity program until the Legislature approves and fully funds a mandatory program to replace these factors.

The Med-QUEST Division of DHS administers the State's medical assistance program under Medicaid. Hawaii's State Plan contains a formula for payments to hospitals and long-term care facilities, which includes an inflationary factor known as the DRI McGraw-Hill inflation factor and a return on equity adjustment factor. These factors annually increase reimbursements to acute and long-term care facilities, but other Medicaid providers have not received increased reimbursement rates for many years because of a lack of state funds. The Med-QUEST Division has the flexibility to allocate its resources to address Medicaid shortfalls and ensure compliance with federal and state requirements, subject to approval by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services. Accordingly, in an effort to reduce spending and control costs for nursing homes and hospitals, the Med-QUEST Division is in the process of amending the Hawaii Administrative Rules and the State Plan to reduce the amount of the automatic DRI McGraw-Hill inflation factor by fifty percent and to eliminate the return on equity adjustment.

In anticipation of these changes, the fiscal year 2002-2003 budget for the State's Medicaid fee for service program (which covers low-income individuals who are age 65, blind, or disabled) has already been reduced by \$2.6 million. This bill will prohibit DHS from submitting its planned amendments to the Centers for Medicare and Medicaid Services to reduce the DRI McGraw-Hill inflation component and eliminate the return on equity adjustment. However, this bill does not include appropriations to restore the reductions to the budget or to fund a mandatory program that brings reimbursements to providers closer to the actual cost of care. Therefore, if this bill became law, DHS would suffer a \$2.6 million shortfall in fiscal year 2002-2003.

For the foregoing reasons, I am returning Senate Bill No. 2867 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2867, entitled "A Bill for an Act Relating to Medicaid," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2867 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2867 with my

objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2900

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. 2900, entitled "A Bill for an Act Making an Appropriation for the Emergency Environmental Workforce."

The purpose of Senate Bill No. 2900 is to appropriate \$500,000 to continue the efforts of the emergency environmental workforce to improve the State's economy by employing citizens to protect the environment.

Act 4 of the Third Special Session Laws of Hawaii 2001 appropriated \$1,500,000 to establish an emergency environmental workforce to provide short-term employment for persons who lost their jobs as a result of the downturn in the State's economy following the tragic events of September 11, 2001. Although it appears that positive work was done under the initial funding for the program, the program was meant to be short-term in nature.

With the passage of time there is a reduced connection between the September 11, 2001, terrorist attacks and the unemployment rate. In fact, recent data show that the unemployment rate was lower in April 2002 than in the months immediately following September 11, 2001. Because the amount appropriated under this bill would enable the program to employ very few persons for a limited period of time, it does not appear that continuation of the program will make a significant impact with respect to unemployment, the State's economy, or the environment.

For the foregoing reasons, I am returning Senate Bill No. 2900 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2900, entitled "A Bill for an Act Making an Appropriation for the Emergency Environmental Workforce," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2900 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2900 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2985

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. 2985, entitled "A Bill for an Act Relating to Qualified Improvement Tax Credit."

The purpose of Senate Bill No. 2985 is to provide a tax credit for the cost of capital improvements made to a "federally qualified health center," which is defined to mean "an entity that has entered into an agreement with the centers for Medicare and Medicaid Services . . . to meet Medicare program requirements . . . and is receiving a grant under section 330 of the Public Health Service Act or is receiving funding from the recipient of a grant" under that federal act. This tax credit applies to "qualified improvement costs," which are defined to include "capitalized interest expense," incurred for taxable years beginning after December 31, 2001, and before January 1, 2011. The "qualified improvement costs" are defined to also include purchases of "qualified equipment," which are defined to include "any device, instrument, appliance, system, or apparatus that is intended for use in . . . medical record-keeping." If the federal qualified health center is a tax-exempt entity that has no income tax liability, the tax credit shall be "refundable" to the health center.

This bill would apply to only nine federally qualified health centers in Hawaii. Because these health centers are nonprofit organizations, the "refundable" tax credit payable under this bill to health centers that are nonprofit organizations appear to be in nature of grants or subsidies for these nine health centers. Section 4 of Article VII of the State Constitution states, "[n]o grant of public money or property shall be made except pursuant to standards provided by law." General standards have been provided by law in

chapter 42F, Hawaii Revised Statutes. To ensure compliance with the constitutional provision, the health centers should apply to the Legislature for grants or subsidies in accordance with chapter 42F.

This bill provides definitions that are too broad. For example, other income tax credits are generally limited to hard construction costs and do not include the costs of financing the construction. However, the definition of "qualified improvement costs" in this bill includes "capitalized interest expense for plans, design, construction, or equipment." Furthermore, the definition of "qualified equipment" includes any system for medical record-keeping. If this bill were to become law, other taxpayers in the health industry will be encouraged to seek the same credit, because all other taxpayers in the health industry will be or have been incurring the cost of purchasing medical record-keeping systems. If a federally qualified health center does have unrelated business taxable income, a refundable four percent capital good excise tax credit is available under existing statutes.

For the foregoing reasons, I am returning Senate Bill No. 2985 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2985, entitled "A Bill for an Act Relating to Qualified Improvement Tax Credit," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2985 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2985 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 3018

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. 3018, entitled "A Bill for an Act Relating to Education."

The purpose of this bill is to establish a joint Senate-House educational governance task force to investigate and recommend changes that will make public education more community centered. This bill is not necessary to accomplish the objectives sought in the bill.

It is not necessary to have the task force established by statute for the purpose of recommending changes for educational reform. The chairs of the Senate and House education committees have informed me that they will meet and develop proposals for reform and will include participation by most parties identified in the bill.

For the foregoing reasons, I am returning Senate Bill No. 3018 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 3018, entitled "A Bill for an Act Relating to Education," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 3018 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 3018 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 3048

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. 3048, entitled "A Bill for an Act Relating to Bonds."

The purpose of this bill is to authorize the Department of Transportation to issue \$25,000,000 in special facility revenue bonds to finance the construction of a visitor attraction on Ford Island to tell the Navy-Marine Corps story in World War II. In addition, this bill appropriates the expenditure of the special facility revenue bond proceeds.

Section 2 of this bill refers to section 266-55, Hawaii Revised Statutes, which provides for harbors special facility revenue bonds. "Special facility" is defined by section 266-51, Hawaii Revised Statutes, to mean "buildings, structures, or facilities on land owned by the State for maritime and marine operations." Consequently, the harbors special facility revenue bonds should only be issued to finance facilities on land owned by the State for maritime and marine operations.

Ford Island is the site for the visitor attraction proposed by this bill. The Federal Government, and not the State, owns Ford Island. Furthermore, I believe that a visitor attraction does not fall within the commonly understood meaning of maritime and marine operations.

For the foregoing reasons, I am returning Senate Bill No. 3048 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 3048, entitled "A Bill for an Act Relating to Bonds," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 3048 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 3048 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 20, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 3053

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. 3053, entitled "A Bill for an Act Relating to Public Health Nursing."

The purpose of this bill is to statutorily establish the public health nursing program within the Department of Health and to define the program's roles and functions in the delivery of direct clinical services to the public.

This bill is unnecessary. The public health nursing program already exists and performs the activities described in the bill. Furthermore, defining the public health nursing program's roles and functions by statute may restrict the program's ability to be flexible in adapting its operations to accommodate future needs.

For the foregoing reasons, I am returning Senate Bill No. 3053 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 3053, entitled "A Bill for an Act Relating to Public Health Nursing," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 3053 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 3053 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 20
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 260, transmitting the Department of Transportation's Annual Report for fiscal year ending June 30, 2001.

Gov. Msg. No. 261, transmitting the 2002 Report to the Governor on the Hawaii Workforce Development prepared by the Workforce Development Council.

Gov. Msg. No. 262, transmitting the 2001-2002 Annual Report to the Governor for the Enterprise Zones Partnership prepared by the Department of Business, Economic Development, and Tourism.

Gov. Msg. No. 263, dated June 24, 2002, transmitting H.B. Nos. 1245 (line item vetoes), 1777, 1800 (line item vetoes), 2002, and 2723, without his approval, and his statement of objections relating to the measures as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1245

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. 1245, entitled "A Bill for an Act Relating to the State Budget."

The purpose of this bill is to appropriate moneys out of the Emergency and Budget Reserve Fund to maintain levels of programs that the Legislature has determined to be essential to the public health, safety, and welfare.

While the bill as a whole has merit, I object to the following appropriations for the reasons indicated:

1. The \$400,000 special fund appropriation out of the Emergency and Budget Reserve Fund for fiscal year 2002-2003 for a grant to Wahiawa General Hospital for program expenses, designated in section 6, pages 2-3 of the bill. I believe that a grant to Wahiawa General Hospital for program expenses should not be made out of the Emergency and Budget Reserve Fund. By Act 179, Session Laws of Hawaii 1999, the Legislature authorized the issuance of special purpose revenue bonds in the amount of \$37 million for Wahiawa General Hospital, Inc., including the plans, design, construction, and operation of a new health facility. The Wahiawa General Hospital is planned to be part of a large health center that special purpose revenue bond authorization was only one of eight acts to authorize the issuance of special purpose revenue bonds totaling \$147 million for the health center. The Baylor Health Care System of Texas, one of the nation's largest nonprofit integrated health care providers, has been providing advisory and consulting services for the health center. Although having these very ambitious plans for the development of the large health center, the Wahiawa General Hospital has still sought

grants from the State. The General Appropriations Act of 2001, Act 259, Session Laws of Hawaii 2001, appropriated \$1,000,000 each for fiscal years 2001-2002 and 2002-2003 for program expenses. The Legislature this year through the supplemental appropriations bill, House Bill No. 1800, reduced the appropriation for fiscal year 2002-2003 to \$500,000 out of the general fund. Because the appropriation out of the general fund was reduced by \$500,000, there appears to be no reason to appropriate \$400,000 out of the Emergency and Budget Reserve Fund to make a grant for the program expenses of the Wahiawa General Hospital.

2. The \$300,000 special fund appropriation out of the Emergency and Budget Reserve Fund for fiscal year 2002-2003 for the tobacco prevention and cessation programs, designated in section 9, page 3 of the bill. While I feel that the program is worthwhile, I believe that the program should be funded from the Department of Health's share of the tobacco settlement payments instead of from the Emergency and Budget Reserve Fund. Under section 328L-4, Hawaii Revised Statutes, moneys from the Department of Health's share of the tobacco settlement payments are to be used by the Department to fund health promotion and disease prevention programs like the tobacco prevention and cessation program.

Section 16 of Article III of the State Constitution provides that, "[e]xcept for items appropriated to be expended by the judicial and legislative branches, the governor may veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same." Because of the foregoing objection, I have taken the following actions pursuant to my line item veto authority:

1. Striking out by drawing a line through the \$400,000 special fund appropriation out of the Emergency and Budget Reserve Fund for fiscal year 2002-2003 for a grant to Wahiawa General Hospital for program expenses in section 6 (on pages 2-3) and changing it to \$0.

2. Striking out by drawing a line through the \$300,000 special fund appropriation out of the Emergency and Budget Reserve Fund for fiscal year 2002-2003 for the tobacco prevention and cessation program in section 9 (on page 3) and changing it to \$0.

For the foregoing reasons, I am returning House Bill No. 1245 with the appropriations in sections 6 and 9 stricken as set forth above totaling \$700,000 in special fund appropriations for fiscal year 2002-2003.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1245, entitled "A Bill for an Act Relating to the State Budget," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 16 of Article III, the Governor may veto any specific item or items in any bill that appropriates money for specific purposes by striking out or reducing the same; and

WHEREAS, House Bill No. 1245 appropriates money for specific purposes and certain appropriation items in that bill are unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1245 with my objections to certain appropriation items contained therein, to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1777

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. 1777, entitled "A Bill for an Act Relating to Public Utilities."

The purpose of this bill is to amend section 269-16.9, Hawaii Revised Statutes, to provide that the Public Utilities Commission may exempt a telecommunications provider or service from the provisions of section 269-16, Hawaii Revised Statutes, relating to public hearing and contested case requirements.

This bill is objectionable because the amendment is unnecessary. Section 269-16 is a provision of chapter 269. The current language in section 269-16.9 authorizes the Commission to exempt a telecommunications provider or service from "any or all of the provisions of ... [chapter 269], except the provisions of section 269-34, upon a determination that the exemption is in the public interest." Consequently, section 269-16.9 already authorizes the Commission to exempt a telecommunications provider or service from the provisions of section 269-16.

For the foregoing reason, I am returning House Bill No. 1777 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1777, entitled "A Bill for an Act Relating to Public Utilities," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1777 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1777 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 1800

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. 1800, entitled "A Bill for an Act Relating to the State Budget."

The purpose of this bill is to provide supplemental appropriations for the fiscal biennium July 1, 2001, to June 30, 2003, for the operating expenditures of the various agencies in the executive branch of the State, other government programs, and capital improvements projects.

While the bill as a whole has merit, I object to the following appropriations for the reasons indicated:

1. The \$44,782,012 portion of the special fund appropriation for fiscal year 2002-2003 for BED 113, Tourism (on page 4, lines 20-24), Item A-6. I believe that this appropriation includes \$39,782,012 for convention center operations. House Bill No. 2451, which I intend to approve, includes special fund appropriations for \$46,000,000 for fiscal year 2002-2003 for convention center operations. Therefore, the \$39,782,012 in this appropriation is not necessary. Moreover, I believe that \$5,000,000 of the special fund appropriation for the Hawaii Tourism Authority is in excess of the amounts needed for the efficient operation of the program. Even with the reduction I propose, the funding

level represents a significant commitment by the State to support our number one industry. I note that the \$56,000,000 funding for the Hawaii Tourism Authority is still more than double the appropriation made just four years ago.

2. The \$147,000 portion of the general fund appropriation for fiscal year 2002-2003 for EDN 100 (on page 38, lines 13-22) Item G-1. I believe the appropriation includes moneys to be used as a grant to World Youth Network International. Although character education for youths in grades 11 and 12 provided by this organization is worthwhile, I understand that the organization is able to service only students in the Windward District. Consequently, I believe that this project does not provide sufficient statewide public benefit to justify State support.

3. The \$1,750,000 portion of the special fund appropriation for fiscal year 2002-2003 for LNR 101, Public Lands Management (page 60, Item K-28, lines 15-21). I believe the appropriation includes moneys for the Kikala-Keokea infrastructure development. Moneys for this purpose are also included in Act 112, Session Laws of Hawaii 2002. Therefore, the moneys contained in this appropriation for the same purpose are not necessary.

4. Sums for certain capital improvement projects listed in section 5 of House Bill No. 1800 I find to be not necessary to implement the respective programs, not sufficient to complete the projects, or are more appropriately funded by other means. These projects are described as follows:

(a) \$1,000,000 in general obligation bond funds for fiscal year 2002-2003 for the Honolulu Zoo Society (Item A-0D, page 90, lines 22-32) appropriated at Item A-5 (BED 142, page 4, lines 17-18). While the Honolulu Zoo is a great tourist attraction and is being upgraded to make it a better attraction, I believe that this county program should be supported by the county.

(b) \$6,000,000 in general obligation bond funds for fiscal year 2002-2003 for the upcountry Maui watershed project (Item A-4D, page 95, lines 12-26) appropriated as Item A-14 (AGR 141, page 6, lines 29-31). I believe the State has provided adequate and appropriate levels of infrastructure support by funding installation of the main pipelines for this purpose. Additional funding should be a county responsibility.

(c) \$1,000,000 in general obligation bond funds for fiscal year 2002-2003 for Pacific Gateway Center (item B-0A, page 108, lines 15-26) appropriated under item B-12 (LBR 903, page 11, line 39). While the services purchased by the State from this private entity are worthwhile, I believe it is imprudent for state taxpayers to shoulder the burden of long-term capital costs of a privately owned facility for an entity that already charges the State for its services.

(d) \$5,000,000 in general obligation bond funds for fiscal year 2001-2002 as a grant to Waikiki Health Center to acquire property and construct facilities on Launiu Street (item E-5, page 203, lines 11-24) appropriated under item E-14 (HTH 595, page 26, lines 15-16). The State has many purchase of service contracts with this organization. I believe it is imprudent for state taxpayers to shoulder the burden of long-term capital costs for the purchase of land and facilities for this private organization.

(e) \$500,000 in general obligation bond funds for fiscal year 2002-2003 as a grant to Mental Health Kokua to acquire and renovate a facility in Wailuku, Maui (item E-43C, page 219, lines 11-24) appropriated under item E-17 (HTH 420, page 26, line 38). While this organization provides

worthwhile services, I believe it is imprudent for state taxpayers to shoulder the burden of long-term capital costs for the purchase of land for a private organization. Moreover, I understand that federal funding support may be available.

(f) \$2,950,000 in general obligation bond funds for fiscal year 2002-2003 as a grant for the Hawaii Island Veterans Memorial in Hilo (item F-1B, page 224, lines 36-48) appropriated under item F-8 (DEF 112, page 31, line 37). While I believe this project is worthwhile, funding is premature because there are no specific plans for the use of the center, for obtaining federal participation, or for implementation and funding ongoing operations.

(g) \$425,000 in general obligation bond funds for fiscal year 2002-2003 as a grant to Seagull Schools, Inc. for a child care and adult community training center (Item F-1C, page 225, lines 14-22) appropriated at item F-9 (HMS 601, page 32, line 13). While this organization provides worthwhile services, I note that the State has previously provided support for this entity's facilities in Kapolei. I believe it is important that private organizations should raise their own funds rather than relying on the State to provide funding support, particularly for long-term capital funding.

(h) \$8,000,000 in general obligation bond funds for fiscal year 2002-2003 to acquire the Japanese Cultural Center (Item H-3B, page 308, lines 24-33) appropriated at item H-2 (AGS 881, page 43, lines 29-31). Funding to purchase the Japanese Cultural Center was intended to provide financial relief to a private cultural organization. I believe it is imprudent for state taxpayers to shoulder the burden of private organizations' capital projects.

(i) \$320,000 in general obligation bond funds for fiscal year 2002-2003 for Mookini Luakini for a cultural and educational complex (Item H-10C, page 313, lines 22-31) appropriated at Item H-6 (LNR 806, page 44, lines 32-33). Although the activities of this private cultural foundation are worthwhile, it limits its activities to one site. Inasmuch as there are equally important cultural and historic sites statewide that are also in need of and deserving of support, I believe it is inequitable to single this one out for special support.

(j) \$425,000 in general obligation bond funds for fiscal year 2002-2003 to the City and County of Honolulu for Salt Lake waterways (Item K-18B, page 347, lines 25-34) appropriated at Item K-24 (SUB 201, on page 63, lines 13-14). I believe that the funding of projects related to Salt Lake waterways does not provide sufficient statewide public benefit to justify state support. I have also deleted reference to the county funding.

(k) \$160,000 in general obligation bond funds for fiscal year 2002-2003 to the County of Kauai for the Waimea shaft, water treatment facility (Item K-24A, page 353, lines 22-30) appropriated at Item K-45 (SUB 501, page 63, lines 24-26). While this project has merit, I believe that the counties should make adequate provisions for developing their own infrastructure without asking the State to provide funding support.

(l) \$160,000 in general obligation bond funds for fiscal year 2002-2003 to the County of Kauai for the Wailua/Kapaa water system (Item K-24B, page 353, lines 32-43) appropriated at Item K-45 (SUB 501, page 63, lines 24-26). While this project has merit, I believe that the counties should make adequate provisions for developing their own infrastructure without asking the State to provide funding support.

(m) \$1,500,000 in general obligation bond funds for fiscal year 2002-2003 to the County of Kauai for a scholastic and international competition swimming pool and support complex (Item K-24C, on page 354, lines 12-22) appropriated at Item K-45 (SUB 501, page 63, lines 24-26). I believe that the funding of this project does not provide sufficient statewide public benefit to justify state support. Moreover, I believe counties should make adequate provisions for developing their own infrastructure without asking the State to provide funding support. I have also deleted reference to the county funding.

(n) \$450,000 in general obligation bond funds for fiscal year 2002-2003 to the County of Kauai for the Omao Well (Item K-24D, page 354, lines 24-30) appropriated at Item K-45 (SUB 501, page 63, lines 24-26). While this project has merit, I believe that the counties should make adequate provisions for developing their own infrastructure without asking the State to provide funding support.

(o) \$445,000 in general obligation bond funds for fiscal year 2002-2003 to the County of Kauai for the Lihue water system (Item K-24E, page 354, lines 32-40) appropriated at Item K-45 (SUB 501, page 63, lines 24-26). While this project has merit, I believe that the counties should make adequate provisions for developing their own infrastructure without asking the State to provide funding support.

Because of the foregoing objections, I have taken the following actions:

a. Reduced the \$100,758,743 special fund BED 113 operating item for fiscal year 2002-2003 (on page 4) and changed it to \$55,976,731.

b. Reduced the \$912,523,132 general fund EDN 100 operating item for fiscal year 2002-2003 (on page 38) and changed it to \$912,376,132.

c. Reduced the \$7,453,156 special fund LNR 101 operating item for fiscal year 2002-2003 (on page 60) and changed it to \$5,703,156.

d. Stricken the BED 142 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 4) and changed it to \$0 and reduced the \$1,000,000 total funding for Item A-0C on page 90 to \$0.

e. Reduced the AGR 141 \$17,240,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 6) and changed it to \$11,240,000, and changed the \$6,000,000 total funding for fiscal year 2002-2003 for Item A-4D on page 95 to \$0.

f. Reduced the LBR 903 \$4,500,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 11) and changed it to \$3,500,000, and reduced the \$1,000,000 total funding for Item B-0A on page 108 to \$0.

g. Reduced the HTH 595 \$6,880,000 general obligation bond fund capital investment item for fiscal year 2001-2002 (on page 26) and changed it to \$1,880,000, and reduced the \$5,000,000 total funding for Item E-5 on page 203 to \$0.

h. Stricken the HTH 420 \$500,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 26) and changed it to \$0, and reduced the \$500,000 total funding for Item E-43C on page 219 to \$0.

i. Reduced the DEF 112 \$3,200,000 general obligation bond fund capital investment item for fiscal year 2002-2003

(on page 31) and changed it to \$250,000, and changed the \$2,950,000 total funding for Item F-1B on page 224 to \$0.

j. Stricken the HMS 601 \$425,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 32) and changed it to \$0, and reduced the \$425,000 total funding for Item F-1C on page 225 to \$0.

k. Reduced the AGS 881 \$8,980,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 43) and changed it to \$980,000, and reduced the \$8,000,000 total funding for Item H-3B on page 308 to \$0.

l. Reduced the LNR 806 \$8,020,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 44) to \$7,700,000 and changed the \$320,000 total funding for Item H-10C on page 313 to \$0.

m. Reduced the SUB 201 \$765,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 63) and changed it to \$340,000, and changed the \$425,000 general obligation bond funding of Item K-18B on page 347 to \$0, and changed the county authorization for that Item from \$425,000 to \$0.

n. Stricken the SUB 501 \$2,715,000 general obligation bond fund capital investment item for fiscal year 2002-2003 (on page 63) and changed it to \$0, reduced the total state funding for each of the following items for fiscal year 2002-2003 to \$0, and changed the county authorization for Item K-24C from \$3,000,000 to \$0:

<u>Item</u>	<u>Description</u>	<u>Page</u>
K-24A	Waimea Shaft, Water Treatment facility	353
K-24B	Wailua/Kapaa water system	353
K-24C	Scholastic and International Competition Swimming Pool and Support Complex	354
K-24D	Omao Well	354
K-24E	Lihue Water System	354

For the foregoing reasons, I am returning House Bill No. 1800 with the reductions set forth above totaling \$5,000,000 for fiscal year 2001-2002 for capital improvement projects, totaling \$46,679,012 for fiscal year 2002-2003 for operating programs, and totaling \$26,760,000 for fiscal year 2002-2003 for capital improvement projects.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the legislature; and

WHEREAS, House Bill No. 1800, entitled "A Bill for an Act Relating to the State Budget," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 16 of Article III, the Governor may veto any specific item or items in any bill that appropriates money for specific purposes by striking out or reducing the same; and

WHEREAS, House Bill No. 1800 appropriates money for specific purposes and certain appropriation items in that bill are unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1800 with my objections to certain appropriation items contained therein, to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th day
of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2002

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. 2002, entitled "A Bill for an Act Relating to Public Lands."

House Bill No. 2002 authorizes the Department of Land and Natural Resources to issue new leases to the Kauai Beachfront Hotel, the existing state lessee of resort properties at Wailua, Lihue, Kauai.

This bill raises a serious policy question because it would provide a special benefit to one entity. The State has a general policy stated in section 171-14, Hawaii Revised Statutes, to award leases through public auction, providing a fair opportunity for the public to bid on the lease and for the State to obtain the best revenue it can.

If the Department of Land and Natural Resources decided to award new leases through a public auction instead of issuing new leases to the existing lessee, this bill would not be necessary, because leases can already be canceled and re-auctioned under current statutes. Under section 171-61, Hawaii Revised Statutes, whenever land can be re-leased for a higher or better use or for an existing use to a greater economic benefit to the State, the Board of Land and Natural Resources may cancel the lease and re-lease the lands through a public auction. In fact, the Board has already taken action at its meeting held on May 24, 2002, to approve the cancellation and re-auction of the Kauai Beachfront leases.

For the foregoing reasons, I am returning House Bill No. 2002 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2002, entitled "A Bill for an Act Relating to Public Lands," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2002 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2002 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th day
of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
HOUSE BILL NO. 2723

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. 2723, entitled "A Bill for an Act Relating to Counties."

The purpose of this bill is to reduce solid waste in the State by requiring each county to establish a food waste recycling program. The program would require the owners or operators of certain food establishments to arrange and provide for the separate collection of a minimum of fifty percent or more of their food waste. A county may request an exemption from the administration of this bill from the State Department of Health, if the department has determined that the county did not have the recycling capacity to meet the requirements of this bill. The bill would authorize each county to assess an annual food waste recycling surcharge

based on the partial costs of food waste recycling to fund the food waste recycling program.

The mayors of the Counties of Hawaii and of Maui have requested that I veto this bill, because the administrative cost to establish and begin a State-mandated food waste recycling program would cause fiscal problems for their counties. Although the bill authorizes each county to assess an annual food waste recycling surcharge, that surcharge can only be assessed after the county programs are implemented and cannot be used to provide the funding to establish and staff the county programs. To that extent, the mayors have expressed concerns that the State-mandated program will be an unfunded mandate contrary to Section 5 of Article VIII of the State Constitution, which provides that "[i]f any new program or increase in the level of service under an existing program shall be mandated to any of the political subdivisions by the legislature, it shall provide the State share in the cost."

I prefer to encourage the counties to continue their food waste recycling efforts, rather than force them to adopt a State-mandated program. The City and County of Honolulu already has a food waste recycling program, but this bill does not provide any exemption from the State-mandated program for a preexisting county program. Furthermore, if the State is to mandate a food waste recycling program, I believe that the State should share in the cost of implementing the program.

For the foregoing reasons, I am returning House Bill No. 2723 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2723, entitled "A Bill for an Act Relating to Counties," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2723 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2723 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 264, dated June 24, 2002, transmitting his statement of objections to Senate Bill Nos. 233, 720, 2306, 2383, 2431, 2816, 2907 and 3047 which he has returned to the Senate without his approval and which reads as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 233

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. 233, entitled "A Bill for an Act Relating to Chiropractic."

The purpose of this bill is to limit reimbursement for workers' compensation chiropractic treatment, to expand the general scope of chiropractic practice, and to clarify what constitutes the practice of chiropractic, as well as the violations and the penalties. Senate Bill No. 233 redefines the scope of chiropractic practice to include "the science of palpating and adjusting the articulations *and adjacent tissues*" to *all* parts of the human body connected to the spinal cord including the *abdomen*.

This new definition, without further clarification, may lead patients to conclude that chiropractors are able to diagnose and treat almost *all* parts of the human body *without restrictions*. This authorization would be contrary to the standards of chiropractors' training and education and may jeopardize or endanger patients' health.

The expansion of the scope of chiropractic practice also may lead to increases in medical malpractice liability insurance costs, medical costs, health insurance costs, and personal and commercial automobile insurance costs. Before the scope of chiropractic practice is broadened, a detailed economic analysis should be done to determine the bill's potential cost impacts.

This bill also limits chiropractic reimbursement for treatment in workers' compensation matters. There does not appear to be any articulated rationale for the discriminatory reimbursement treatment of workers' compensation insurance versus other types of insurance. Any future efforts to extend workers' compensation reimbursements in relation to the expanded scope of chiropractic practice in section 2 of the bill would result in an increase in workers' compensation insurance and would eliminate the advances made by the Legislature in the past few years in controlling workers' compensation insurance costs.

For the foregoing reasons, I am returning Senate Bill No. 233 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required

to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 233, entitled "A Bill for an Act Relating to Chiropractic," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 233 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 233 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 720

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. 720, entitled "A Bill for an Act Relating to Prohibition of Discrimination by Public Entities Towards Individuals with Disabilities."

The purpose of this bill is to expand the prohibition against discrimination by the State against a person with disabilities and extend the prohibition to county governments. Senate Bill No. 720, however, does not strike the necessary balance between the rights of the disabled and the liability of the State and counties. This bill is not necessary because individuals with disabilities have protections under the federal Americans with Disabilities Act (ADA), section 504 of the Rehabilitation Act, and existing state law. Furthermore, the bill exposes the State and counties to more lawsuits while weakening their ability to defend because they could be found in violation even if they have other legitimate, non-discriminatory reasons for denying or excluding a disabled person from receiving a benefit, service, program, or activity; the State and counties may face exposure under this bill even if they comply with federal disability laws like the ADA and section 504; and because the bill does not use the same language as the ADA or section 504, the State and counties do not have the benefit of relying on court interpretations of those laws and disagreements over the meaning and scope of this bill may increase litigation.

For the foregoing reasons, I am returning Senate Bill No. 720 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 720, entitled "A Bill for an Act Relating to Prohibition of Discrimination by Public Entities Towards Individuals with Disabilities," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 720 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 720 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2306

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. 2306, entitled "A Bill for an Act Relating to Transportation."

The purposes of this bill are to provide rent relief to state airport concessionaires and authorize the State to assess passenger facility charges.

HISTORY. In response to the severe financial losses suffered by airport concessionaires as a result of the decline in air travel caused by the September 11, 2001, terrorist attacks, I called the State Legislature into special session to provide emergency relief. The Legislature responded by passing emergency legislation that I signed into law. This emergency legislation, which expired on April 30, 2002,

provided \$26.5 million in rent relief to the airport concessionaires.

At the 2002 regular legislative session, lobbyists for the airport concessionaires lobbied the Legislature for more emergency rent relief. The State Administration, through its Department of Transportation, proposed extending the emergency legislation, which expired on April 30, 2002, for another six months. The proposal was rejected by the airport concessionaires, who instead proposed legislation that would give them permanent relief. In spite of warnings by the State that the proposed legislation was unacceptable because it would put the State at a severe disadvantage, the Legislature approved Senate Bill No. 2306 – the bill favored by the airport concessionaires.

OBJECTIONS. This bill is objectionable because it mandates the State to take actions designed to virtually guarantee that airport concessions stay in business at the expense of the public. In other words, the State is being required to create a new favored business class by guaranteeing that they do not fail.

The bill mandates the State to provide rent relief to the airport concessionaires, while taking away the State's discretion to determine if such rent relief is appropriate and on what terms. It makes rent relief a virtual entitlement to the concessionaires, whether or not that relief would jeopardize the financial integrity of the State's airport system and it does not fully address concerns raised by the Federal Aviation Administration.

As the property owner or lessor, in cases in which the lessee seeks to renegotiate the terms of a contract obtained by competitive bid, the State should have the discretion to determine if relief requested is warranted and at what level. These rights are basic to the renegotiation of any contract. Senate Bill No. 2306 denies the State these rights.

If the State does not have the discretion to determine the appropriateness of rent relief, it would be virtually impossible for the State to guarantee the financial integrity of the Airport Revenue Fund, to avoid possible sanctions by the Federal Aviation Administration, and to maintain its agreements with bond holders.

Although the bill requires that actions taken must not jeopardize the State's ability to receive federal aid or comply with obligations owed to bondholders, there are no express limits on the amount or duration of relief, which means the State could be forced to drain its airport fund to ensure that airport concessions stay in business.

Moreover, if the State cannot grant rent relief without threatening the financial integrity of the Airport Fund and the State's Airports System, the airport concessionaires can then demand that the State terminate their contracts without forfeiture of their performance bonds and that they be allowed to bid if a new contract is again put out to bid. Although the State can replace an airport concessionaire that demanded its contract be terminated, the State can do so only if it finds a new concessionaire that is willing to pay at least ten percent more in rent – otherwise the contract must be rebid.

It should be noted that three of the eighteen airport concessionaires affected have leases that can be terminated without penalty and with only 30 days' notice to the State. The other concessionaires are all multi-national enterprises with overall annual sales in the range of tens or hundreds of millions of dollars. These concessionaires have already benefited from the \$26.5 million in rent relief granted by the

State and have the ability to withstand the post September 11, 2001, downturn in our economy far better than the thousands of other Hawaii businesses, big and small, which have not had any rent relief.

It is difficult to understand how a bill that puts the State at such a great disadvantage could be justified.

Legislators who object to my veto of this bill should ask themselves whether they would subject their private employers, their own businesses, or any other private entity to which they have some relationship to the same terms and conditions that this bill imposes on the State of Hawaii. I can think of no conditions under which they would.

For the foregoing reasons, I am returning Senate Bill No. 2306 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2306, entitled "A Bill for an Act Relating to Transportation," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2306 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2306 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2383

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. 2383, entitled "A Bill for an Act Relating to Taxation to Stimulate the Economy."

The purpose of this bill is to promote Hawaii's tourism and construction industries by establishing a non-refundable, carry-forward net income tax credit of 4 percent for commercial construction, and expanding the hotel construction tax credit to include related commercial and recreational facilities, infrastructure, and offsite improvements.

OBJECTIONS. Senate Bill No. 2383 is flawed because it defines a "qualified project" eligible for the four percent commercial construction credit too broadly, allowing virtually any nonresidential construction project to qualify. The bill is not targeted to assist any particular industry or to create new ones. Thus it establishes credits with no real strategic purpose for improving or diversifying the State's economy.

Senate Bill No. 2383 also allows other indirect construction costs to qualify, such as infrastructure, amenities, telecommunications, and information technology costs. These are not costs that are traditionally eligible under other construction tax credit provisions. Moreover, it is very difficult to calculate the additional tax revenue loss.

When tax credits are given to stimulate the economy, other taxpayers may end up carrying a larger tax burden because of the loss in revenues. Thus, a fiscally responsible government will use the tax credits as incentives to attract new investment, to create new industries, diversify and grow the economy. When properly employed, tax credits, waivers, or incentives may even help generate more revenue than they cost in the long run. I do not believe that Senate Bill No. 2383 accomplishes these goals.

This bill is estimated to cost the State more than \$100 million over four years, based on an annual commercial construction base average of \$753.8 million over the past five years. But State estimates show that commercial construction would have to increase by more than 52 percent in order for the State to "break even" on the cost of this tax credit.

In this regard, it makes little sense for the State to give such generous tax credits to boost private construction. First, construction is one of the few sectors of Hawaii's economy that successfully withstood the post September 11, 2001, downturn and is still strong. Second, interest rates are at an all time low – a strong incentive for investors to incur debt to build their projects.

Moreover, proponents of this bill overlook the fact that five years ago, the State enacted a \$2 billion tax cut over six years, one of the biggest tax cuts in the nation at the time. Also overlooked is the fact that tax incentive measures such as Act 221, the current hotel renovation and construction tax credits, were all enacted only a few years ago. Last year, I approved the homebuyer's tax credit, which provides Hawaii's homeowners with a maximum tax credit of \$10,000 for the purchase of each new home or renovation of an existing home.

Additionally, Hawaii's construction industry has received other tax breaks, including a subcontractor deduction to eliminate pyramiding and exemptions from the general excise tax on low-income housing projects, scientific contracts, scientific contracts, exported services, contracting, and construction within an enterprise zone for qualified businesses.

Cumulatively, these tax credits and cuts have helped Hawaii's economy withstand the post September 11 downturn better than most expected. This is reflected in part by the fact Hawaii's unemployment rate is 4.4 percent – significantly lower than the national average of 6 percent.

At the same time, however, this multitude of tax cuts, waivers, and tax credits have reduced state tax revenues, causing the severe reduction in state services and budget cuts now reflected in the supplemental appropriations bill, House Bill No. 1800 (the state budget bill).

Many of the projects cited as benefiting from this bill are projects that were already being developed before this tax credit was proposed. It makes little sense to now provide a tax credit for projects that would have been built anyway.

The bill contains more problems in that it contains ambiguities that potentially invite abuse and make it bad tax policy. The qualified project tax credit is available to "each taxpayer" subject to the state income tax. A "taxpayer" may be the "owner, developer, lessee, or permittee of real property relating to the qualified project." Conceivably, more than one taxpayer could claim this tax credit at the same time. A taxpayer also could potentially "double dip" by claiming another tax credit, in addition to the qualified project tax credit, for the same project. For example, if a company builds a manufacturing center here and installs \$25 million in new manufacturing equipment, it could qualify for both the 4 percent qualified project tax credit and the 4 percent capital goods excise tax credit – an aggregate of 8 percent in credits.

Finally, the bill contains a provision that expands the hotel tax credit to include any expenses incurred by a hotel for renovation or construction, even those that are only tangentially related to hotel operations including non-hotel projects. For example, the construction or renovation of a convenience store at a hotel might qualify for the hotel tax credit. This is another overly broad definition that will lead to ambiguity and more potential revenue loss through abuse.

Senate Bill No. 2383 is just one of several tax credit bills passed by the 2002 Legislature with no coherent strategy or plan. Moreover, our analysis is that this poorly thought-out bill will cost the State much more revenue than it will generate.

As expressed by the chairperson of the House Committee On Economic Development, the purpose of the multitude of tax credit bills approved by the 2002 State Legislature is to "spur development and investment in a manner that won't use State funds." On this score, I believe Senate Bill No. 2383 fails.

For the foregoing reasons, I am returning Senate Bill No. 2383 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2383, entitled "A Bill for an Act Relating to Taxation to Stimulate the Economy," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2383 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2383 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2431

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. 2431, entitled "A Bill for an Act Relating to Campaign Spending."

The original purpose of this bill was to reform Hawaii's Campaign Spending Law by regulating political contributions by corporations and certain other types of organizations in the same manner as federal law, i.e., to prohibit contributions and expenditures directly by those entities. Instead, such organizations would be allowed to establish a "separate segregated fund" or "SSF," funded by voluntary contributions from certain classes of employees and executives, which could then make contributions.

Senate Bill No. 2431 has some good features; however, it has a major flaw that I find unacceptable. Unlike the federal campaign spending law, which regulates campaign contributions to both the Executive (President and Vice President of the United States) and the Legislative (Congress) branches of the federal government, Senate Bill No. 2431 exempts the Hawaii State Legislature from being covered.

To approve this bill would be to give the public the impression that meaningful campaign spending reform has occurred. It has not.

The State Campaign Spending Commission provided the initial language for the bill, which essentially mirrored federal law covering both branches of the federal government. The Hawaii State Legislature, however, amended the bill to exempt itself.

The Commission has urged me to approve the bill, arguing that it is a good first step and that it will try to convince the

State Legislature to amend the law to include itself in the next legislative session.

With all due respect to the Commission for its hard work, I believe that if I approve the bill and sign it into law, there will be little motivation for the Legislature to amend the new law to include itself in the next session.

According to a June 5, 2002, memorandum I received from Robert Y. Watada, Executive Director of the Campaign Spending Commission, the "Senate Committee balked at (a) . . . blanket prohibition because they felt that they would not be able to receive contributions from state or county contractors, even though they were not party to the contracts."

The Senate committee inserted language to narrow the prohibition of contributions to certain offices, an action that the Commission deemed to be discriminatory and possibly unconstitutional. The Commission then suggested the current language, which establishes the condition that "a contribution to the giver of public funds is barred." In other words, a business that contributes to a candidate running for office in the Executive Branch is prohibited, for a two-year period from the date of the contribution, from receiving a state or city contract.

This language, which the Commission believes meets Constitutional muster, is an example of the contortions the Commission had to undertake because the Senate demanded that the Legislature be exempted.

The federal campaign spending law covers both the Executive and Legislative branches of government because the conditions that give rise to influence buying through campaign contributions can potentially affect every elected office in the federal government.

Unlike the members of the United States Congress who are not permitted to hold other jobs, Hawaii's State Legislature is a part-time body that allows legislators to hold other employment, run their own businesses, and sit as directors on the boards of private corporations and other businesses. Consequently, Hawaii State Legislators, like state legislators in most states, have a greater potential for acting on legislation that may have significant financial implications for their employers, their own businesses, or the corporations or businesses on which they hold directorships.

Committee chairpersons, in particular, wield great power on the passage or non-passage of legislation desired by special interests. A brief review of some of the legislation I have vetoed illustrates this point.

Senate Bill No. 2306, for example, is worth tens of millions of dollars in rental relief to airport concessionaires. Senate Bill No. 2907 may be worth as much as \$75 million in tax credits to landowners and developers of the Ko Olina Resort project. Senate Bill No. 2723, which I vetoed at the urging of the mayors of Maui and Hawaii counties, would generate additional business for companies in the food recycling business at the counties' expense. Every legislative session, special interest groups urge legislators to support bills that will generate financial benefits for them, sometimes at the expense of other special interest groups.

The point of these examples is not that they are illegal or unworthy – after all, it is the right of every citizen, business, labor union, or special interest groups to lobby their elected officials – rather it is to illustrate that the work of the Legislature often gives rise to the very same kind of conflict-

of-interest problems Senate Bill No. 2431 purports to address in the Executive Branch.

This is why the federal law applies the same restrictions on campaign contributions to both the Executive and Legislative branches of government. I do not see any reason why Senate Bill No. 2431 should treat the State Executive and Legislative branches differently. To approve this bill would be a disservice to the public.

For the foregoing reasons, I am returning Senate Bill No. 2431 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2431, entitled "A Bill for an Act Relating to Campaign Spending," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2431 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2431 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2816

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. 2816, entitled "A Bill for an Act Relating to Student Loans for Teachers."

The purpose of this bill is to establish the Hawaii Educator Incentive Program to increase the number of qualified

teachers in Hawaii public schools. This bill establishes a special fund to provide for tuition and textbook cost reimbursement to persons who complete a state-approved teacher education program in Hawaii and is employed as a teacher in a hard-to-fill position in the Hawaii public school system for a minimum of six consecutive years.

Section 14 of Article III of the State Constitution provides that "[e]ach law shall embrace but one subject, which shall be expressed in its title." The title of the bill states the subject to be "student loans for teachers." The bill, however, does not provide for student loans for teachers, but instead provides for the reimbursement of educational expenses to employed teachers. The reimbursement is available regardless of whether the expenses were paid through a student loan. Although the purpose of this bill has merit, the bill is constitutionally defective, because it does not comply with the requirements of Section 14 of Article III of the State Constitution.

For the foregoing reason, I am returning Senate Bill No. 2816 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2816, entitled "A Bill for an Act Relating to Student Loans for Teachers," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2816 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2816 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 2907

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. 2907, entitled "A Bill for an Act Relating to Taxation."

The purpose of Senate Bill No. 2907 is to encourage tourism and stimulate employment by providing tax credits equal to one hundred percent of the cost of constructing attractions and educational facilities, including a world-class aquarium and marine science and mammal facility at the Ko Olina Resort and Marina. The tax credit is a non-refundable, carry-forward tax credit, up to \$75 million, for the private development at the Ko Olina Resort.

OBJECTIONS. When tax credits are given to stimulate the economy, other taxpayers are being asked to sacrifice and shoulder the burden of taxation in the meantime. It is, therefore, imperative that government remain fiscally responsible and target tax incentives to create reasonably foreseeable economic growth. For example, the high technology tax credits were used as an incentive in developing a new industry in Hawaii. However, there is no shortage of resort developments in Hawaii.

This bill does not achieve its stated purpose, does little to ensure that additional economic growth would be created, is difficult to administer, and contains vague language that leaves it open to misinterpretation.

The bill specifies that the tax credits will be available only to a single business enterprise or an exclusive group of taxpayers. This means the tax credits would not benefit the tourism industry as a whole and leaves the bill's stated purpose unfulfilled.

It provides little promise of additional economic benefits for taxpayers because many of the businesses involved here were already committed to building their developments.

The Marriott Corporation, for example, has informed me that it will build its 750 time share unit project at Ko Olina regardless of my decision on Senate Bill No. 2907. Prior to September 11, 2001, several Ko Olina developers publicly announced their intent to build projects at the site. Some are currently being built.

It should be kept in mind that the Ko Olina landowners did not buy their respective properties just to allow it to lie idle. Developers buy land to develop and build projects. The longer they wait, the greater the cost. Timing is the key to successful developments. Today, interest rates are at an all-time low. Moreover, the State already allows a ten percent tax credit for new hotel construction or renovation of existing hotels. In addition, there are other recently enacted tax credits for which Ko Olina developers may be eligible. Under these circumstances, it makes little sense to provide what amounts to a "super" tax credit for what will amount to another resort development.

Although the bill states that the developers eligible for the tax credits provided in this bill shall not be eligible for other hotel and construction tax credits, I am advised by the State Department of Taxation that the proposed aquarium may already be eligible to qualify for the high technology tax credit under Act 221, Session Laws of Hawaii 2001, as an ocean sciences technology project.

Furthermore, these tax credits would provide a minimal return to the taxpayers on such a costly investment. This bill is expected to cost taxpayers \$75 million over ten years. Additionally, the tax credits may be sold or transferred to partners or members who have tax liabilities to offset, but who have not necessarily contributed any cash to the Ko Olina development project. This feature makes it very likely that there will be claims for the maximum allowable credit of \$7.5 million each year, beginning in 2004.

A unique characteristic of this bill also adds to the creation of a "super" tax credit. Traditionally, tax credits have been used to offset income taxes. Under this bill, qualified taxpayers could use the credit to also offset against other types of taxes (i.e. use, public service company, insurance premium, financial institutions, general excise, and transient accommodations) or any other combination thereof. It has the effect of relieving the taxpayer of any tax responsibility.

In return for its subsidy of the proposed facilities, the State would receive one-half of the taxable income received from the aquarium 17 years after the credit is first claimed. However, the State may not realize any revenues in year 17 because the bill does not require that the project be completed and operational. The bill only requires a taxpayer to "be developing" the project.

Finally, the bill is vague in its language in some areas, leaving it open to misinterpretation. For example, there is no definition for "world-class" in describing the type of aquarium it proposes to build. The bill does not define "attractions" as used in the definition of "qualified costs." "Attractions" could mean facilities that the drafters of this bill never contemplated would qualify for the tax credits, such as a water park, an amusement park, or a shopping center. The definition of "qualified costs" includes costs of constructing other facilities, allowing the taxpayer to receive "reimbursement" of these other costs through this credit mechanism.

It must be kept in mind that approximately five years ago, the State enacted a \$2 billion tax cut, effective over a six-year period, and one of the biggest tax cuts of its kind in the nation. Since then the State enacted a host of generous tax credits and incentives such as Act 221, which were designed to encourage investment and develop new industries. Last year, I approved the homeowner's tax credit for new home purchase or renovation of existing homes. This tax credit will entitle qualified homebuyers and owners to a maximum tax credit of \$10,000.

Cumulatively, these tax credits, waivers, and reductions have helped Hawaii's economy withstand the downturn caused by the September 11, 2001, terrorist attacks – reflected in part by Hawaii's low unemployment rate of 4.4 percent compared to 6 percent for the nation.

At the same time, however, this multitude of tax cuts, credits and incentives have reduced state tax revenues, causing the severe reduction in state services and budget cuts now reflected in the supplemental appropriations bill, House Bill No. 1800 (State Budget bill).

On its face, the Ko Olina proposal embodied in the bill seems innovative and bold. There are, however, too many unanswered questions and too many ambiguities to justify approval.

For the foregoing reasons, I am returning Senate Bill No. 2907 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 2907, entitled "A Bill for an Act Relating to Taxation," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 2907 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 2907 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 24, 2002

STATEMENT OF OBJECTIONS TO
SENATE BILL NO. 3047

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. 3047, entitled "A Bill for an Act Making an Appropriation for the Waipahu Community Adult Day Health Center and Youth Day Care Center Pilot Project."

The purpose of this bill is to appropriate \$200,000 of general funds to a private, nonprofit agency for the operation of the Waipahu community adult day health center and youth care center pilot project.

The center is scheduled for completion this summer and will offer rehabilitation and wellness services for adults and youth and serve as a day care center. It is my understanding that \$50,000 of the \$200,000 is intended for the purchase of equipment for the center. Until more information about this pilot project is reviewed by the Legislature, I believe that only \$50,000 for equipment is justified at this time.

Section 16 of Article III of the State Constitution authorizes the Governor to "veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same." Pursuant to that authority and based on my objection stated above, I have reduced the appropriation in section 2 of the bill from \$200,000 to \$50,000.

For the foregoing reasons, I am returning Senate Bill No. 3047 with a \$150,000 reduction of the appropriation in section 2.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 3047, 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 by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 16 of Article III, the Governor may veto any specific item or items in any bill that appropriates money for specific purposes by striking out or reducing the same; and

WHEREAS, Senate Bill No. 3047 appropriates money for specific purposes and a certain appropriation item in that bill is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 3047 with my objections to a certain appropriation item contained therein, to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 24th
day of June, 2002.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 265, informing the House that on June 21, 2002, the following bill was signed into law:

S.B. No. 2831, SD 1, HD 1, CD 1, RELATING TO AN EXTENSION OF THE RESIDENTIAL CONSTRUCTION AND REMODELING INCOME TAX CREDIT (ACT 174).

Gov. Msg. No. 266, informing the House that on June 25, 2002, the following bills were signed into law:

- H.B. No. 1245, HD 1, SD 1, CD 1, RELATING TO THE STATE BUDGET (ACT 175)
- H.B. No. 1256, HD 2, SD 2, CD 1, RELATING TO SOLID WASTE MANAGEMENT (ACT 176)
- H.B. No. 1800, HD 1, SD 1, CD 1, RELATING TO THE STATE BUDGET (ACT 177)
- H.B. No. 2827, HD 1, SD 2, CD 1, RELATING TO STATE FINANCES (ACT 178)
- S.B. No. 706, SD 1, HD 1, CD 1, RELATING TO STATE GOVERNMENT (ACT 179)
- S.B. No. 2242, SD 1, HD 1, RELATING TO PUBLIC LAND LEASES (ACT 180)
- S.B. NO. 2331, SD 2, HD 2, CD 1, MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION (ACT 181)
- S.B. NO. 2477, SD 2, HD 2, RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS (ACT 182)
- S.B. No. 2478, HD 1, CD 1, RELATING TO THE TRUSTEES OF THE OFFICE OF HAWAIIAN AFFAIRS (ACT 183)
- S.B. No. 2702, SD 2, HD 2, CD 1, RELATING TO THE KALAELOA COMMUNITY DEVELOPMENT DISTRICT (ACT 184)
- 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 (ACT 185)
- S.B. No. 3063, SD 2, HD 2, CD 1, RELATING TO THE ENVIRONMENT (ACT 186)
- Gov. Msg. No. 267, informing the House that on June 25, 2002, the following bills were signed into law:
- H.B. No. 741, HD 1, SD 1, CD 1, RELATING TO CIVIL LIABILITY (ACT 187)
- H.B. No. 1357, HD 1, SD 2, CD 1, RELATING TO HEALTH (ACT 188)
- H.B. No. 1843, SD 1, CD 1, RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT (ACT 189)
- H.B. No. 1996, SD 1, CD 1, RELATING TO THE ADMINISTRATION OF TAXES (ACT 190)
- H.B. No. 2006, HD 1, SD 1, CD 1, RELATING TO SPECIAL WASTES RECYCLING (ACT 191)
- H.B. No. 2065, HD 1, SD 1, CD 1, RELATING TO NURSES (ACT 192)
- H.B. No. 2165, HD 1, SD 2, CD 1, RELATING TO EDUCATION (ACT 193)
- H.B. No. 2176, HD 1, SD 1, RELATING TO AGRICULTURAL MARKETING (ACT 194)
- H.B. No. 2276, HD 2, SD 1, CD 1, RELATING TO COLLECTIVE BARGAINING (ACT 195)
- H.B. No. 2311, HD 2, SD 2, CD 1, RELATING TO JUDGES FOR THE CIRCUIT COURT (ACT 196)
- H.B. No. 2353, HD 2, SD 1, CD 1, RELATING TO EDUCATION (ACT 197)
- H.B. No. 2387, HD 1, SD 1, RELATING TO THE PENAL CODE (ACT 198)
- H.B. No. 2413, HD 1, SD 1, RELATING TO CONDOMINIUM PROPERTY REGIMES (ACT 199)
- H.B. No. 2426, HD 1, SD 1, CD 1, RELATING TO CRIMES AGAINST CHILDREN (ACT 200)
- H.B. No. 2427, HD 1, SD 1, CD 1, RELATING TO VICTIMS OF CRIMES (ACT 201)
- H.B. No. 2449, HD 1, SD 2, RELATING TO SMALL BUSINESS (ACT 202)
- H.B. No. 2710, HD 1, RELATING TO OCEAN LEASING (ACT 203)
- H.B. No. 2832, HD 1, SD 2, CD 1, RELATING TO TIME SHARING PLANS (ACT 204)
- S.B. No. 2078, SD 1, HD 1, CD 1, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (ACT 205)
- S.B. No. 2582, RELATING TO CAPTIVE INSURANCE (ACT 206)
- Gov. Msg. No. 268, transmitting the monthly report on all actions taken under Act 15, Third Special Session of 2001 for the period between March 23 2002 and April 19, 2002.
- Gov. Msg. No. 269 informing the House that the following bills proposing constitutional amendments were filed on June 27, 2002 with the Office of the Lieutenant Governor:
- 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. 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
- S.B. No. 996, HD 1, CD 1, PROPOSING AMENDMENTS TO ARTICLE I, SECTION 10, OF THE HAWAII CONSTITUTION
- Gov. Msg. No. 270, informing the House that on June 26, 2002, the following bill was signed into law:
- H.B. No. 2045, HD 1, SD 2, CD 1, RELATING TO REVENUE BONDS (ACT 207)
- Gov. Msg. No. 271, informing the House that on June 28, 2002, the following bills were signed into law:

- H.B. No. 536, SD 1, RELATING TO COMMUNITY DEVELOPMENT (ACT 208)
- H.B. No. 1684, HD 1, SD 2, RELATING TO STATE AND LOCAL TAXATION OF MOBILE TELECOMMUNICATIONS SERVICES (ACT 209)
- H.B. No. 1700, HD 1, SD 1, RELATING TO INSURANCE POLICIES (ACT 210)
- H.B. No. 2018, HD 1, SD 2, CD 1, RELATING TO AGRICULTURAL LEASES (ACT 211)
- H.B. No. 2163, SD 2, RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION (ACT 212)
- H.B. No. 2164, HD 2, SD 2, CD 1, RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM (ACT 213)
- H.B. No. 2468, HD 1, SD 1, CD 1, RELATING TO CEMETERY AND FUNERAL TRUSTS (ACT 214)
- H.B. No. 2525, HD 1, SD 2, CD 1, RELATING TO PUBLIC WORKS PROJECTS (ACT 215)
- H.B. No. 2527, SD 1, CD 1, RELATING TO SAFETY INSPECTION FREQUENCIES FOR REGULATED EQUIPMENT (ACT 216)
- S.B. No. 2180, SD 2, HD 1, RELATING TO GENETIC INFORMATION AND GENETIC TESTING (ACT 217)
- S.B. No. 2231, SD 1, HD 1, RELATING TO KAHŌŌLAWĒ ISLAND RESERVE (ACT 218)
- S.B. No. 2721, SD 1, HD 1, RELATING TO DENTAL INSURANCE (ACT 219)
- S.B. No. 2737, HD 1, CD 1, RELATING TO DISASTER RELIEF (ACT 220)
- S.B. No. 2784, SD 1, HD 1, RELATING TO WORKERS' COMPENSATION (ACT 221)
- S.B. No. 2786, SD 1, HD 1, CD 1, RELATING TO THE HOISTING MACHINE OPERATORS ADVISORY BOARD (ACT 222)
- S.B. No. 2824, SD 2, HD 1, CD 1, RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE (ACT 223)
- Gov. Msg. No. 272, informing the House that on June 28, 2002, the following bills were signed into law:
- H.B. No. 2438, HD 1, SD 1, CD 1, RELATING TO IDENTITY (ACT 224)
- H.B. No. 2720, HD 1, SD 1, CD 1, RELATING TO THE USE TAX (ACT 225)
- H.B. No. 2752, HD 1, SD 1, CD 1, RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES (ACT 226)
- S.B. No. 331, SD 2, HD 2, CD 1, RELATING TO HOUSING (ACT 227)
- S.B. No. 940, HD 2, CD 1, RELATING TO INSURANCE UNFAIR PRACTICES (ACT 228)
- S.B. No. 1320, SD 2, HD 1, RELATING TO ANTITRUST (ACT 229)
- S.B. No. 2036, SD 1, HD 2, CD 1, RELATING TO EDUCATION (ACT 230)
- S.B. No. 2075, SD 2, HD 1, CD 1, RELATING TO DENTAL HYGIENISTS (ACT 231)
- S.B. No. 2112, SD 1, HD 1, RELATING TO COLLECTIVE BARGAINING (ACT 232)
- S.B. No. 2127, HD 1, CD 1, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (ACT 233)
- S.B. No. 2698, SD 2, HD 1, CD 1, RELATING TO CHAPTER 846E, HAWAII REVISED STATUTES (ACT 234)
- S.B. No. 2883, SD 1, HD 1, CD 1, RELATING TO INSURANCE (ACT 235)
- S.B. No. 2885, SD 2, HD 1, RELATING TO TAXATION (ACT 236)
- S.B. No. 3028, SD 1, HD 2, CD 1, RELATING TO THE REGULATION OF WARRANTORS OF VEHICLE PROTECTION PRODUCTS (ACT 237)
- Gov. Msg. No. 273, informing the House that on June 28, 2002, the following bills were signed into law:
- H.B. No. 1901, HD 2, SD 1, CD 1, RELATING TO HIV TESTING FOR SEXUAL OFFENSES (ACT 238)
- H.B. No. 2216, HD 1, SD 1, RELATING TO MENTAL HEALTH, ALCOHOL, AND DRUG ABUSE (ACT 239)
- S.B. No. 2234, SD 2, HD 2, CD 1, RELATING TO SEXUAL EXPLOITATION (ACT 240)
- S.B. No. 2898, SD 2, HD 2, CD 1, RELATING TO CAVE PROTECTION (ACT 241)
- Gov. Msg. No. 274, informing the House that on June 28, 2002, the following bills were signed into law:
- H.B. No. 1730, HD 1, SD 1, CD 1, RELATING TO DRIVERS EDUCATION FUND UNDERWRITERS FEE (ACT 242)
- H.B. No. 2788, SD 1, CD 1, RELATING TO STATE BONDS (ACT 243)
- S.B. No. 2068, SD 2, HD 2, CD 1, RELATING TO SCHOOL REPAIR AND MAINTENANCE (ACT 244)
- Gov. Msg. No. 275, informing the House that on July 1, 2002, the following bills were signed into law:
- H.B. No. 2638, HD 2, SD 1, CD 1, RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT (ACT 245)
- H.B. No. 2741, HD 2, SD 2, CD 1, RELATING TO THE CIGARETTE AND TOBACCO TAX (ACT 246)
- S.B. No. 2840, SD 2, CD 1, RELATING TO STATE GOVERNMENT (ACT 247)

S.B. No. 733, SD 1, HD 1, CD 1, RELATING TO EMPLOYMENT SECURITY (ACT 248)

S.B. No. 2270, SD 2, HD 2, CD 1, RELATING TO EDUCATION (ACT 249)

S.B. No. 2350, SD 2, HD 2, CD 1, RELATING TO TRANSIENT ACCOMMODATIONS TAX (ACT 250)

S.B. No. 2416, SD 2, HD 2, CD 2, RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT (ACT 251)

S.B. No. 2763, SD 2, HD 2, CD 1, RELATING TO BIRTH DEFECTS (ACT 252)

Gov. Msg. No. 276, transmitting the Public Utilities Commission's 2001 annual report on the special purpose revenue bond financing of electric and gas utility capital improvement programs.

Gov. Msg. No. 277, informing the House that after considerable study and reflection, he has decided to permit the following measure to become law on July 1, 2002, without his signature, pursuant to Section 16 of Article III of the State Constitution:

H.B. No. 2451, SD 2, CD 1, RELATING TO THE CONVENTION CENTER (ACT 253)

Gov. Msg. No. 278, informing the House that on July 5, 2002, the following bills were signed into law:

H.B. No. 1724, SD 1, CD 1, RELATING TO SPECIAL NUMBER PLATES FOR MILITARY SERVICE (ACT 254)

H.B. No. 1768, HD 1, SD 1, RELATING TO VEHICLE REGISTRATION (ACT 255)

H.B. No. 1842, HD 1, SD 2, CD 1, RELATING TO THE PRACTICE OF PHARMACY (ACT 256)

H.B. No. 2166, HD 1, SD 2, CD 1, RELATING TO EDUCATION (ACT 257)

H.B. No. 2169, HD 2, SD 1, RELATING TO COFFEE (ACT 258)

S.B. No. 2046, SD 1, HD 1, CD 1, RELATING TO GUIDE DOGS, SIGNAL DOGS, AND SERVICE ANIMALS (ACT 259)

S.B. No. 2106, SD 2, HD 1, RELATING TO MARRIAGE AND FAMILY THERAPIST (ACT 260)

S.B. No. 2337, SD 2, HD 2, CD 1, RELATING TO RACING ON HIGHWAYS (ACT 261)

S.B. No. 2512, SD 2, HD 2, CD 1, RELATING TO CHARTER SCHOOLS (ACT 262)

S.B. No. 3049, SD 2, HD 2, CD 1, RELATING TO BONDS (ACT 263)

Gov. Msg. No. 279, transmitting the Report of the Coordinating Committee to Oversee the Care of Medically Fragile Children, submitted through the Department of Human Services.

Gov. Msg. No. 280, transmitting the 2001 Annual Report for Fiscal Year 2001 prepared by the Office of Youth Services.

Gov. Msg. No. 281, transmitting the report "Tax Credits Claimed by Hawaii Individuals and Corporations – 2000" prepared by the Department of Taxation.

Gov. Msg. No. 282, transmitting the report, Legislation Affecting Hawaii's Older Adults – 2002, prepared by the Executive Office on Aging.

SENATE COMMUNICATIONS RECEIVED AFTER THE ADJOURNMENT
OF THE 2002 LEGISLATURE SINE DIE

Sen. Com No. 741, transmitting S.R. No. 122, entitled: "SENATE RESOLUTION INFORMING THE HOUSE AND GOVERNOR THAT THE SENATE IS READY TO ADJOURN SINE DIE," which was adopted by the Senate on May 2, 2002.

Sen. Com. No. 742, informing the House that the Senate has reconsidered its action taken on April 30, 2002 in passing H.B. No. 2761, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY ORAL HEALTH," on Final Reading and has recommitted said bill to Conference Committee on May 2, 2002.

Sen. Com. No. 743, informing the House that the following bills have passed Final Reading in the Senate on May 2, 2002:

H.B. No. 1722, S.D. 1, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

S.B. No. 2416, S.D. 2, H.D. 2, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LONG-TERM CARE FINANCING ACT," and

S.B. No. 2179, S.D. 2, H.D. 1, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY RESOURCES."

Sen. Com. No. 744, informing the House that the Senate has reconsidered its action taken on April 22, 2002 in disagreeing to the amendments proposed by the House and has adopted in final form S.C.R. No. 142, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO CONVENE A TASK FORCE REGARDING A LIGHT RAIL SYSTEM," which was adopted by the Senate on May 2, 2002.

Sen. Com. No. 745, informing the House that 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 the following bills have passed Final Reading in the Senate on May 2, 2002:

S.B. No. 2477, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS,"

S.B. No. 2498, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORK," and

S.B. No. 2885, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION."

Sen. Com. No. 746, transmitting H.C.R No. 12, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE TANF REAUTHORIZATION ACT OF 2001 (HR 3113)," which was adopted by the Senate on May 2, 2002.

Sen. Com. No. 747, transmitting H.C.R No. 43, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO ENTER INTO A FINANCING AGREEMENT FOR A NEW ELEMENTARY SCHOOL IN KAHULUI, MAUI," which was adopted by the Senate on May 2, 2002.

Sen. Com. No. 748, transmitting H.C.R No. 187, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO EVALUATE THE OPERATIONAL EFFICIENCY AND PROGRAMMATIC EFFECTIVENESS OF THE STATE'S INTEGRATED

SPECIAL EDUCATION DATABASE SYSTEM," which was adopted by the Senate on May 2, 2002.

Sen. Com. No. 749, transmitting H.C.R No. 200, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A TASK FORCE TO STUDY THE FEASIBILITY OF ESTABLISHING A FRESHWATER FISHERY AT THE WAHIAWA RESERVOIR, OAHU," which was adopted by the Senate on May 2, 2002.

Sen. Com. No. 750, transmitting H.B. No. 1740, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENTERPRISE ZONES," which passed Third Reading in the Senate on May 2, 2002.

Sen. Com. No. 751, transmitting H.C.R No. 199, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO DESIGNATE THE MONTH OF AUGUST 2002, AS THE "DUKE PAOA KAHANAMOKU HO'OLAULEA" TO COMMEMORATE THE LIFETIME ACCOMPLISHMENTS OF DUKE PAOA KAHANAMOKU," which was adopted by the Senate on May 2, 2002.

DEPARTMENTAL and MISCELLANEOUS COMMUNICATIONS RECEIVED
AFTER THE ADJOURNMENT OF THE 2002 LEGISLATURE SINE DIE

Departmental Communications

Dept. Com. No. 31, from David Iha, Executive Administrator and Secretary of the Board of Regents, University of Hawaii, acknowledging receipt of H.R. No. 87; H.C.R. No. 150; H.C.R. No. 103, HD 1, SD 1; H.C.R. No. 107; H.C.R. No. 94, HD 1, SD 1; H.R. No. 124, HD 1; and H.R. No. 12.

Dept. Com. No. 32, from Wayne Metcalf, Insurance Commissioner, acknowledging receipt of H.C.R. No. 131, and that pursuant to the resolution, the Insurance Division and its actuary will commence to perform the actuarial analysis of reinstating naturopathy as a PIP benefit.

Dept. Com. No. 33, from the Department of the Attorney General Department, transmitting a May 2002 report, Registered Sex Offenders in Hawaii: A Statistical Profile.

Dept. Com. No. 34, from Marion M. Higa, State Auditor, transmitting their report, Audit of the School-Based Behavioral Health Program.

Dept. Com. No. 35, from Patricia Hamamoto, Superintendent of the Department of Education, transmitting their report, The Superintendent's Twelfth Annual Report on School Performance and Improvement in Hawaii.

Miscellaneous Communications

Misc. Com. No. 7, from the Honorable Patsy T. Mink, United States Congress, acknowledging receipt of H.C.R. No. 137, HD 1, and informing the House the HR2739 (Public Law 107-158) which calls on the Bush Administration to develop a plan to obtain observer status for Taiwan at the annual World Health Organization summit was passed by the House and the Senate, and signed by the President on April 4, 2002.

Misc. Com. No. 8, from the Honorable Patsy T. Mink, United States Congress, acknowledging receipt of H.R. Nos. 15, 117, 123, 131, and H.C.R. Nos. 28, 34, 70, 118, 121, 123, and 199.

Misc. Com. No. 9, from John J. Reynolds, Regional Director, Pacific West Region, United States Department of Interior National Park Service, acknowledging receipt of H.R. No. 15 and conveying their gratitude for support of the National Park Service acquisition of parts of Kahuku Ranch and Kiilae Village on the Big Island.

Misc. Com. No. 10, from Richard B. Myers, Chairman of the Joint Chiefs of Staff, acknowledging receipt of H.C.R. No. 121, HD 1 requesting that the Department of Defense maintain the current structure of the US Pacific Command, and stating that the Asia-Pacific region is enormously important to the United States, and that there is no plan or intent to downgrade US presence in the region.

Misc. Com. No. 11, from The White House, Ruben Barrales, Deputy Assistant to the President and Director of Intergovernmental Affairs acknowledging receipt of various resolutions recently adopted by the Hawaii House of Representatives.