

TWENTY-FIFTH DAY

Tuesday, March 8, 2016

The House of Representatives of the Twenty-Eighth Legislature of the State of Hawaii, Regular Session of 2016, convened at 9:07 o'clock a.m., with Speaker Souki presiding.

The invocation was delivered by Representative Nicole E. Lowen, after which the Roll was called showing all Members present with the exception of Representatives Ing and Say, who were excused.

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

GOVERNOR'S MESSAGES

The following message from the Governor (Gov. Msg. No. 12) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 12, dated February 24, 2016, informing the House that an arbitration award was issued for the Hawaii Government Employees Association (HGEA) concerning Collective Bargaining Unit 14 (State Law Enforcement Officers) on February 22, 2016, and transmitting a proposed H.B. No. 2307, HD 2, to fund the award.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 36 through 86) were received and announced by the Clerk:

Sen. Com. No. 36, transmitting S.B. No. 75, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 37, transmitting S.B. No. 2007, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE COUNCIL ON MENTAL HEALTH," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 38, transmitting S.B. No. 2008, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE AREA BOARDS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 39, transmitting S.B. No. 2021, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIOENERGY HAWAII, LLC," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 40, transmitting S.B. No. 2040, SD 1, entitled: "A BILL FOR AN ACT RELATING TO POST-SECONDARY EDUCATION," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 41, transmitting S.B. No. 2245, SD 1, entitled: "A BILL FOR AN ACT RELATING TO BEACHES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 42, transmitting S.B. No. 2250, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 43, transmitting S.B. No. 2256, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER LICENSING," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 44, transmitting S.B. No. 2298, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM FIDUCIARY ACCESS TO DIGITAL ASSETS ACT," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 45, transmitting S.B. No. 2319, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 46, transmitting S.B. No. 2320, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACEPTIVE SUPPLIES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 47, transmitting S.B. No. 2367, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII RENEWABLE RESOURCES, LLC," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 48, transmitting S.B. No. 2395, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TELEHEALTH," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 49, transmitting S.B. No. 2453, entitled: "A BILL FOR AN ACT RELATING TO AQUATIC RESOURCES PENALTIES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 50, transmitting S.B. No. 2484, entitled: "A BILL FOR AN ACT RELATING TO FIREWORKS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 51, transmitting S.B. No. 2506, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST TRUTAG TECHNOLOGIES, INC.," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 52, transmitting S.B. No. 2511, entitled: "A BILL FOR AN ACT RELATING TO TELECOMMUNICATIONS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 53, transmitting S.B. No. 2539, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SPECIAL ACTION TEAM FOR THE HAWAII STATE HOSPITAL," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 54, transmitting S.B. No. 2541, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 55, transmitting S.B. No. 2543, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 56, transmitting S.B. No. 2550, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL FUNDS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 57, transmitting S.B. No. 2551, entitled: "A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 58, transmitting S.B. No. 2555, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 59, transmitting S.B. No. 2565, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 60, transmitting S.B. No. 2619, SD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 61, transmitting S.B. No. 2655, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX COLLECTION DATE," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 62, transmitting S.B. No. 2660, entitled: "A BILL FOR AN ACT RELATING TO BUREAU OF CONVEYANCES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 63, transmitting S.B. No. 2670, entitled: "A BILL FOR AN ACT RELATING TO BEHAVIOR ANALYSTS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 64, transmitting S.B. No. 2671, SD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERINARY TECHNICIANS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 65, transmitting S.B. No. 2675, SD 1, entitled: "A BILL FOR AN ACT RELATING TO LICENSING," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 66, transmitting S.B. No. 2680, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FINANCIAL INSTITUTIONS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 67, transmitting S.B. No. 2694, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 68, transmitting S.B. No. 2723, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ENFORCEMENT OF WAGE LAWS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 69, transmitting S.B. No. 2732, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 70, transmitting S.B. No. 2819, entitled: "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 71, transmitting S.B. No. 2823, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 72, transmitting S.B. No. 2835, SD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 73, transmitting S.B. No. 2836, SD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 74, transmitting S.B. No. 2837, SD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 75, transmitting S.B. No. 2840, SD 1, entitled: "A BILL FOR AN ACT RELATING TO REPORTING DEATHS TO STATE AGENCIES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 76, transmitting S.B. No. 2841, entitled: "A BILL FOR AN ACT RELATING TO PAYMENTS BY EMPLOYERS TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 77, transmitting S.B. No. 2849, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 78, transmitting S.B. No. 2856, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 79, transmitting S.B. No. 2883, entitled: "A BILL FOR AN ACT RELATING TO AMENDING IDENTITY OF REGISTRANT'S PARENT ON A BIRTH CERTIFICATE," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 80, transmitting S.B. No. 2887, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DEVELOPMENTAL DISABILITIES," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 81, transmitting S.B. No. 2921, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY TO THE INTERNAL REVENUE CODE," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 82, transmitting S.B. No. 2926, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE TAX APPEALS AND DISPUTE RESOLUTION PROGRAM," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 83, transmitting S.B. No. 2939, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 84, transmitting S.B. No. 2971, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 85, transmitting S.B. No. 2975, entitled: "A BILL FOR AN ACT RELATING TO BLOOD GLUCOSE MONITORING," which passed Third Reading in the Senate on March 4, 2016.

Sen. Com. No. 86, transmitting S.B. No. 3024, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE ETHICS COMMISSION," which passed Third Reading in the Senate on March 4, 2016.

On motion by Representative Evans, seconded by Representative Pouha and carried, the following Senate Bills passed First Reading by title and further action was deferred: (Representative Ing was excused.)

S.B. No. 75, SD 2
 S.B. No. 2007, SD 1
 S.B. No. 2008, SD 1
 S.B. No. 2021
 S.B. No. 2040, SD 1
 S.B. No. 2245, SD 1
 S.B. No. 2250
 S.B. No. 2256, SD 1
 S.B. No. 2298, SD 1
 S.B. No. 2319, SD 1
 S.B. No. 2320, SD 1
 S.B. No. 2367
 S.B. No. 2395, SD 1
 S.B. No. 2453
 S.B. No. 2484
 S.B. No. 2506
 S.B. No. 2511
 S.B. No. 2539, SD 1
 S.B. No. 2541
 S.B. No. 2543
 S.B. No. 2550
 S.B. No. 2551
 S.B. No. 2555
 S.B. No. 2565

S.B. No. 2619, SD 1
 S.B. No. 2655, SD 1
 S.B. No. 2660
 S.B. No. 2670
 S.B. No. 2671, SD 1
 S.B. No. 2675, SD 1
 S.B. No. 2680, SD 1
 S.B. No. 2694, SD 1
 S.B. No. 2723, SD 1
 S.B. No. 2732
 S.B. No. 2819
 S.B. No. 2823
 S.B. No. 2835, SD 1
 S.B. No. 2836, SD 1
 S.B. No. 2837, SD 1
 S.B. No. 2840, SD 1
 S.B. No. 2841
 S.B. No. 2849, SD 1
 S.B. No. 2856
 S.B. No. 2883
 S.B. No. 2887, SD 1
 S.B. No. 2921
 S.B. No. 2926, SD 1
 S.B. No. 2939
 S.B. No. 2971
 S.B. No. 2975
 S.B. No. 3024, SD 1

INTRODUCTIONS

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

Representative Cullen introduced his constituent, Mr. Corey Rosenlee, HSTA President.

Representative San Buenaventura introduced from Easter Seals Hilo: Ryanna, Nalui, Brenton, Joanne, Denise; from Full Life and Arc of Kona: Maryann, Logan, Makaika, Lois, Jameson, Malia, Quinton, Jiminy, Jennifer, Julie and Jerry.

Representative Morikawa introduced participants of the State Council on Developmental Disabilities Day at the Capitol; Ms. Waynette Cabral, Executive Administrator; and staff.

Representative Rhoads introduced his constituent, Mr. Blane Sardinha.

Representative San Buenaventura introduced Mr. Jesse Floyd, Hawaii State Council on Developmental Disabilities.

At 9:16 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:16 o'clock a.m.

Representative Brower introduced volunteers and staff from Goodwill's Home & Community Based Services program.

Representative Saiki introduced Mr. William Nhieu, House Deputy Communications Director, and wished him luck in his new position as Communications Officer at Department of Commerce and Consumer Affairs.

Representative Luke introduced Finance Committee staff: Kuuipo Aki-Siler, Alana Folen, Angela Mooney, Sheryll Yotsuda, Stacey Tagala, Randall Hiyoto, Kim Duong, Joy Nakashima, Jo Hamasaki and Nandana Kalupahana.

Representative Takayama introduced Anya Maga, beneficiary of Anya's Law; and her mother, Michele Pestel-Maga.

Representative San Buenaventura introduced Board of Education member Mr. Brian De Lima, his wife Paige, and daughter Blair.

At 9:24 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:49 o'clock a.m., with Vice Speaker Mizuno presiding.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Pouha and carried, the rules were suspended for the purpose of considering certain House Bills for Third Reading by consent calendar. (Representative Belatti was excused.)

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, there will be no discussion on these two items agreed by this body for placement on Consent Calendar."

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 884-16) recommending that H.B. No. 2237, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2237, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE INTEGRATED SOLID WASTE MANAGEMENT PLAN," passed Third Reading by a vote of 50 ayes, with Representative Belatti being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 939-16) recommending that H.B. No. 2344, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2344, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ORDERS FOR IMMEDIATE PROTECTION," passed Third Reading by a vote of 50 ayes, with Representative Belatti being excused.

At 9:50 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2237, HD 2
 H.B. No. 2344, HD 2

At this time, the Chair stated:

"Members, please remember to submit to the Clerk the list of House Bills on the Consent Calendar for which you will be inserting written comments, in support or in opposition. This must be done by the adjournment of today's floor session."

ORDINARY CALENDAR

UNFINISHED BUSINESS

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 853-16) recommending that H.B. No. 254, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 254, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICINES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 854-16) recommending that H.B. No. 2030, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2030, HD 1, entitled: "A BILL FOR AN ACT RELATING TO POLLUTION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 855-16) recommending that H.B. No. 2059, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2059, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR KEHALANI OFFSITE RETENTION BASIN," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 856-16) recommending that H.B. No. 2069, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2069, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

Representative Say rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2069, HD 2, 'Relating to Community Improvement Districts.' This measure introduced by the Future Caucus is admirable in redeveloping communities in our state.

"My main opposition to this measure is that it is redundant as for other state programs that we have on the book. The description of the Kapalama community improvement district should fall under Chapter 206E, the Hawaii Community Development Authority.

"This authority will be the entity that coordinates all the different planning, permitting and financing of major improvements in the district.

"Let us not create another level of bureaucracy, but achieve the goals and visions of the improvement districts under Chapter 206E.

"Aloha for allowing me to speak in opposition."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2069, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY IMPROVEMENT DISTRICTS," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Har, Kong, Oshiro and Tokioka voting aye with reservations, and with Representative Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 857-16) recommending that H.B. No. 2198, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2198, HD 2 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2198, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR UKUMEHAME RESERVOIRS," passed Third Reading by a vote of 51 ayes, with Representative McKelvey voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 858-16) recommending that H.B. No. 2680, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2680, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR KALOKO RESERVOIR," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 859-16) recommending that H.B. No. 2681, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2681, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR WAILUKU RESERVOIR #6," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 860-16) recommending that H.B. No. 1749, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1749, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER MANAGEMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 861-16) recommending that H.B. No. 1750, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1750, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER MANAGEMENT," passed Third Reading by a vote of 51 ayes.

At 9:53 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 254, HD 2
 H.B. No. 2030, HD 1
 H.B. No. 2059, HD 2
 H.B. No. 2069, HD 2
 H.B. No. 2198, HD 2
 H.B. No. 2680, HD 2
 H.B. No. 2681, HD 2
 H.B. No. 1749, HD 1
 H.B. No. 1750, HD 1

LATE INTRODUCTIONS

The following late introduction was made to the Members of the House:

Representative Cullen, on behalf of Representative Har and himself, introduced 3rd, 4th and 5th grade students from Mauka Lani Elementary Ohana Council: Charles Tafao, Rheiana Tafao, Trinity Sperle, Chynelle Amodo, Dylan Takahashi, Hailey Teramae, Madalyn Balkom, Chloe Kia-Cox-Bongo, Payton Leong, Keola Correa, Hailey Keamo, Madison Andrade, Kai Briggs, Geric Abe, Marcus Fetui, Karmalina Acosta, Taimane Amisone, Joyann George, Leon Riel, Layson Borling, Tyrene Peterson, Brian Almodovar, Jr., Krista Cox, Mary Lyden, Laurylan Maae, Ryan Umayam and Kisiah Kama-Tandal; and chaperons, Mr. Loren Rivers and Ms. Tammy Sakato.

UNFINISHED BUSINESS

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 862-16) recommending that H.B. No. 2671, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2671, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL JUSTICE DATA," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 863-16) recommending that H.B. No. 2694, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2694, HD 1 pass Third Reading, seconded by Representative Evans.

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2694, HD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE IV, SECTION 2, OF THE HAWAII STATE CONSTITUTION TO ADDRESS THE SELECTION OF MEMBERS OF THE REAPPORTIONMENT COMMISSION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Har, Onishi and Tokioka voting aye with reservations, and with Representatives Kobayashi and Ohno voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 864-16) recommending that H.B. No. 1055, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1055, HD 2, entitled: "A BILL FOR AN ACT RELATED TO ELECTIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 865-16) recommending that H.B. No. 1580, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1580, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED STRATEGY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 866-16) recommending that H.B. No. 1590, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1590, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Har rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. Mr. Speaker, may I declare a potential conflict? If this bill were to go through, my name would be affected on the ballot," and the Chair ruled, "no conflict."

Representative Har continued in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this measure. The preamble to this bill cites psychology and political science research on the amount of votes received by candidates based on the location of their name on the ballot, and the content of this bill attempts to shift these votes to different-lettered last names. The text of this bill implies three things which make this inherently unsound policy, and for which I rise in opposition. First, it implies that the voting public is nothing but a set of numbers which the Legislature can manipulate using convoluted election laws; second, it implies that randomness is equivalent to fairness; and third, it implies that smoothing out voting trends is a vested state interest.

"To the first point, it is offensive to the voting public that the Legislature would be making laws about votes as if the voters themselves are an afterthought. This mindset is, at its core, undemocratic and unbecoming of the chamber designed to be closest to the people. If voters choose to vote for a candidate simply because their name is at the top of the ballot, making that choice is the voter's constitutional right. It is wrong for the government to make laws assuming they know why voters vote the way they do and using these assumptions to make them vote differently.

"To the second point, randomness and fairness are ultimately unrelated concepts. Following the logic used in the preamble, this legislation will simply award an empirical unfair advantage to someone 'by lot'; this does not address unfairness in any way other than to move it in favor of an unpredicted candidate. This is not just unsound policy, it is against the very nature of the fields which observed the bias. Election laws and political data should revolve around education, inclusion, and simplicity, not around political expediency and manipulation.

"To the third point, attempting to modify or temper voting trends from the top down is not a vested interest of the State as a whole. The Legislature is responsible to voters, not the other way around. The State does not have a right to intervene in election law in response to voting trends of any kind. If the State seeks to affect trends, it would be more beneficial to the people of Hawai'i if the time spent on manipulating ballots was spent informing the voting public of the political process. Political involvement and public discourse are vested state interests, and promoting these ideals would actually work to address the observed biases. Let us seek to inform and educate before we wrongfully waste our time and resources on voter manipulation.

"For these reasons, I stand in opposition to HB 1590, HD 2. Thank you, Mr. Speaker."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1590, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Oshiro and Tokioka voting aye with reservations, and with Representative Har voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 867-16) recommending that H.B. No. 1651, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1651, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CLASS C FELONIES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 868-16) recommending that H.B. No. 1652, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1652, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," passed Third Reading by a vote of 51 ayes.

At 9:56 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2671, HD 2
H.B. No. 2694, HD 1
H.B. No. 1055, HD 2
H.B. No. 1580, HD 1
H.B. No. 1590, HD 2
H.B. No. 1651, HD 2
H.B. No. 1652, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 869-16) recommending that H.B. No. 1654, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1654, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ABSENTEE BALLOTS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 870-16) recommending that H.B. No. 2019, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2019, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, this bill in its current form would allow for instant runoff voting in special elections to fill vacancies. As you know, instant runoff voting differs from traditional voting in that it allows voters to rank each candidate based on preference. This allows for instant polling when no candidate receives a majority of votes in the first round, eliminating the need for another vote to be taken. Instant runoff voting would save taxpayer money in lieu of having to conduct another vote. It also ensures that the most preferred candidate wins the election. In traditional voting, only a voter's primary preference is recognized. Instant runoff voting allows for a methodology that recognizes secondary, tertiary, and so on preferences of a voter and a winner is the selected based on those preferences.

"For these reasons, I believe instant runoff voting would be a great system for Hawaii and a model for the entire nation."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2019, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Keohokalole and Oshiro voting aye with reservations, and with Representative Har voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 871-16) recommending that H.B. No. 2247, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2247, HD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENTAL TRAVEL," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 872-16) recommending that H.B. No. 2279, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2279, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, very quickly, this is again our annual appropriations for claims against the State, its officers, or its employees. I took issue on second reading with this particular measure, and I take issue with the last claim in particular that was added in the Committee on Finance. For those reasons, I'll be voting no. Thank you."

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

Representative Belatti rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, ruling on a potential conflict. My law firm has a claim in this bill," and the Chair ruled, "no conflict."

Representative Belatti continued, stating:

"Thank you. And may I have this conflict ruling applied to the rest of session? Thank you," and the Chair "so ordered."

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, please note my reservations on this. And my reservations do extend to the last one that was added on. I believe I am a little conflicted with it and hopefully it doesn't set a precedent moving forward. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2279, HD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Jordan and Oshiro voting aye with reservations, and with Representatives Har and McKelvey voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 873-16) recommending that H.B. No. 2554, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2554, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AMERICAN SIGN LANGUAGE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 874-16) recommending that H.B. No. 2085, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2085, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

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

Representative Oshiro rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I need to disclose a potential conflict of interest. I own stock in Hawaiian Electric Company," and the Chair ruled, "no conflict."

Representative Oshiro continued, stating:

"In fact, Mr. Speaker, could this ruling also apply to subsequent bills on the order of the day? Thank you very much," and the Chair "so ordered."

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

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

Representative Jordan rose to disclose a potential conflict of interest, stating:

"Ruling on a potential conflict. I am a shareholder in Hawaiian Electric energies," and the Chair ruled, "no conflict."

Representative Jordan continued, stating:

"May this apply for the remaining of today's session? Thank you very much."

The Chair addressed Representative Jordan, stating:

"Absolutely. Thank you very much, Representative."

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

"Thank you. Just briefly, in support. And just on this bill, last year when we updated our 100% RPS statute we didn't update the clean energy initiative statute, which is DBEDT's planning process, so this bill updates that to reflect the law that's already in place firstly, and then adds in a transportation component for planning purposes. And that's because transportation here in the State is changing radically.

"In fact, amongst 25 to 29-year-olds, just 15 years ago 99% had driver's licenses. We all got around with the traditional transit by car. Today that same age group, just 15 years later, now only 65% have driver's licenses. There's a radical change going on, and what this does is ask DBEDT to take a look at how we can apply their planning process to that change, recognizing that traditional fossil fuel transportation is going the way of the horse and buggy.

"Secondly, Mr. Speaker, I'd like to point out that there is a number of initiatives right now looking at biofuel conversion. And part of that planning process needs to be looking at how do we incentivize and create

that market over time, getting toward our 2045 goal for electricity generation.

"And finally, I'd like to point out that with all the planning on the federal level going on, with US Department of Energy, in particular Department of Agriculture looking at ethanol, biofuels. With everything else going on throughout the rest of the country, this would put us in a prime position to be able to draw down additional federal funds for projects that really look to incentivize that biofuels market.

"And lastly, I just point out that this is for DBEDT's planning purposes, so that as they craft plans, they take this into account. Thank you very much."

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

"Mr. Speaker, in support, and I'd just like to say that on behalf of the horse and buggy caucus, I am fully on board with this."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2085, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 51 ayes, with Representatives DeCoite, Har, Keohokalole, Kong, San Buenaventura, Say, Tokioka and Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 875-16) recommending that H.B. No. 2543, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2543, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Tokioka rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I'd like to ask for a ruling on a potential conflict. In my private job, I work for the cable company. Thank you very much," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2543, HD 2, entitled: "A BILL FOR AN ACT RELATING TO BROADBAND," passed Third Reading by a vote of 51 ayes.

At 10:03 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1654, HD 1
H.B. No. 2019, HD 2
H.B. No. 2247, HD 1
H.B. No. 2279, HD 2
H.B. No. 2554, HD 2
H.B. No. 2085, HD 2
H.B. No. 2543, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 876-16) recommending that H.B. No. 2569, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2569, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you. Mr. Speaker, I stand in support of the measure to cool our classrooms, but I do have a few concerns, and the concerns relate to using the GEMS program. May I have remarks entered into the Journal, please? And I'd like to say that I strongly support cooling our classrooms and I've worked with a solar company that's going to be putting on a new state-of-the-art stand-alone photovoltaic with battery backup to cool one of the hottest classrooms at Kalaheo High School, and that should go up within a matter of weeks. Thank you."

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I rise in support with concerns regarding HB 2569, HD 2. This bill seeks to take GEMS money and use it for school air conditioning. Our schools desperately need to be cooled, however GEMS was not designed to be used for grid-connected, fossil fuel-powered air conditioning. The GEMS program was intended to create affordable financing programs, administered by the State, for those who would otherwise not be able to afford the large upfront costs required for green infrastructure installations such as solar.

"HB 2569, HD 2 will take \$100,000,000 from GEMS, which was designed to benefit individual residents, and give it to the schools. We passed this legislation in 2013 and since then only three loans have been funded, even though we have \$145,000,000 in authorized GEMS loan money. Granted, GEMS is a failed program. However, we passed legislation creating the GEMS program based on a specific reason. To arbitrarily use those funds for a completely different purpose is not responsible, and possibly not ethical.

"The DOE demands the largest chunk of the State Budget, however it is still looking for over \$100,000,000 to provide a safe and healthy learning environment for our students. Projects have been delayed, CIP funds sit unused, and now a program, funded by ratepayers paying a surcharge every month on their utility bills, is being raided.

"We must cool the schools, and I encourage this body to trim the 'fat' in the DOE budget, look for other resources and funding avenues rather than raiding a program which was meant to assist individual residents in lowering their electric bills. Let's maintain our transparency and honesty by using funds as they were intended to be used and not rob the GEMS program. Thank you, Mr. Speaker."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations and with a footnote to what my colleague just said. I also have been dealing with solar companies as to what we can do for our classrooms in Hawaii Kai. I have a quote from \$68,000 per classroom. If you look inside of this bill and you do the math, it's almost a \$100,000 per classroom. Do the math.

"I think we can do much better than what is implied in this bill, or that the bargaining power, which I would trust HSTA because Cory is also working with a lot of solar companies and I know that the Chair of Energy is. So I hope that these numbers will actually pan out a little bit better than the way they look now. Thank you."

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

"Thank you, Mr. Speaker. Strong support. Mr. Speaker, this bill, as we know, will establish a goal of becoming net-zero with respect to energy use, producing as much renewable energy as the department consumes across all public facilities by January 1st, 2035.

"Record classroom temperatures have been measured in schools across the State, and especially in my home district in Ewa Plain. It's possible to cool our classrooms and save on energy costs at the same time by using technology such as solar power to provide energy for air conditioning.

"It's possible, Mr. Speaker, for public school systems to produce as much renewable energy as they consume, thereby netting zero overall energy consumption.

"In addition to solar power, Mr. Speaker, schools can and should be outfitted and retrofitted using more efficient lighting technology, natural ventilation, other methodologies.

"This bill would establish the long term goal funding and oversight that such a transformation can take place, and that's why I am in very strong support of this legislation. Thank you, sir."

Representative Ohno rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. Mr. Speaker, my concerns are solely with section 2 of this bill. This is the section that will recodify our goals for the department.

"I'd just like to remind all the Members that many of the bills we do also have these goals today, and the last time we did this in the education world we called it No Child Left Behind, where we had a goal for all schools to reach 100%. And it backfired. In fact, this past year both chambers of Congress, both sides of the aisle, agreed to repeal No Child Left Behind and many other parts surrounding that goal.

"I hope that after this bill, should this bill continue and be passed out of the Legislature, we don't pat ourselves on the back and feel like we've done a good work by setting these goals without taking stock that the real work and the real policymaking is only ahead of us. Thank you, Mr. Speaker."

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

"In support. Thank you. I'd just like to make a couple quick points and just thank everybody for everybody's concern about our kids, first and foremost. Schools are the laboratories of education, and there is no better place that a child can learn than in an environment that is conducive to it.

"I feel that's our responsibility here, and I think one of the things that, thanks to the Chair of Education, the Chair of Finance, and everybody who's been involved, in particular the Governor as well, making this a issue that rises to the forefront of many others, that we can actually make some extreme progress this year in trying to cool our classrooms and provide environments that foster education.

"And there are a couple of studies, in particular one Harvard study which came out this past October which shows that in classrooms, in indoor environments where you have proper lighting, temperature and factors that are appropriate, you can see up to a 300% increase in cognitive function. That's incredible. That's money we can invest not just in our teachers, in our schools, in our kids, but really in everybody in that setting. And that's something that has returns that just can't be quantified.

"This bill does a couple quick things. Obviously it appropriates funding for air conditioning first and foremost, which is the prime concern we have. Secondly, it does so in a way that is fiscally prudent. We're not going to spend money willy-nilly, without any cost controls.

"And that's what this bill begins to put together. How do we make sure the Department of Education can implement the goals of cooling our classrooms, but doing it in a way that isn't going to increase electric bills, isn't going to increase costs or isn't going to deliver the expectations that we have for the money that we're putting forward. That's our job and our responsibility, to make sure that we spend those taxpayer dollars wisely.

"So what this bill does, and I want to refer to section 2 in particular, is it sets out a mandate. DOE shall go forth and cool these classrooms. Here's the funding to do it. But more than that, it says, as you're moving forward, as you're planning for the future, make sure that you're going to reach a place down the road, which is the same goal we applied to the University of Hawaii last year, which says they shall be net-zero by 2035.

"The reason for this is because right now the Department of Education, for many, many years, has come to the Legislature asking for more and more money to pay their electric bill. Right now, it's clear that their bill is borderline \$48, \$49 million a year. And that's a cost that we pay. That's a cost that taxpayers have to pay.

"There is no incentive for the department currently to control those costs. Which means if we simply provide money for air-conditioning, that cost will be added to the electric bill. And in schools where this has been done, which have gone from traditional school to air-conditioned school, the electric bill has more than doubled.

"That would mean we could potentially be faced with a bill of more than \$100 million in a couple years' time. And that's something that we can't afford. So part of this is to make sure the Department of Education invests in efficiency, controls their costs, and spends money wisely on energy efficiency that counteracts the additional costs added by traditional air-conditioning.

"So this is something that's important because what it means is that over the long term they finally have a mechanism and a goal to reach and a mandate to reach it to save on those electric costs so that some years from now they can reach that goal. It means their electric bill becomes greatly reduced, or even zeroed out.

"And that's \$48 million a year that we can put into classrooms, we can give to teachers, we can put into other things that are far more important than just paying an electric bill. But the only way that's going to happen is if we compel the department to do it, which is our responsibility. And that's what we're doing right here. Thank you very much."

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

"Mr. Speaker, in favor. I would agree with my colleague next to me that aspirational goals to reach net-zero are great. But we need to separate aspirational goals from goals that require actual attainment or achievement. We passed earlier on page 2 another bill that has a 100% goal in terms of reclaimed water.

"Now, as you know, reaching the 100% mark is very difficult when you get to the last 2%, 3%, 5%. In some situations it takes as much effort to reach 50% as it does to deal with the last 3% or 4%. So we spend a great deal of effort trying to reach that 100% mark, when we could have settled instead for reaching almost 100%. And I think we should keep that in mind when we look at other bills. Thank you."

Representative Tupola rose to speak in support of the measure with reservations, stating:

"With reservations, Mr. Speaker. I just wanted to thank my colleague from Nuuanu for his thoughts and just similar concerns with codifying a specific date for where we need to be by a certain time as opposed to, I guess, aiding the department along so that we can reach that goal. And thank also my colleague from Kahala for very good points brought up. So thank you, with reservations."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2569, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 51 ayes, with Representatives Ohno, Tupola and Ward voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 877-16) recommending that H.B. No. 2646, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2646, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 878-16) recommending that H.B. No. 2648, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2648, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

Representative Onishi rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations and a few brief comments. Mr. Speaker, at this time there are private endeavors that are always looking at these issues of solid waste and especially food waste recycling. We also have programs that already recycle green waste. So, to do a study that the private industry is already working on seems to me to be another study that we don't need. So, with reservations."

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

Representative Oshiro rose to speak in support of the measure with reservations, stating:

"With reservations. And just for the Members' edification, I think in my district going down to the North Shore, we probably have the largest food waste conversion facility on Oahu. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2648, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FOOD WASTE DISPOSAL," passed Third Reading by a vote of 51 ayes, with Representatives DeCoite, Keohokalole, Onishi, Oshiro and Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 879-16) recommending that H.B. No. 2649, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2649, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Ohno rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. Without regard to the substance of this bill, I do have concerns about the degree to which the Legislature inserts itself into the process and responsibilities of the PUC. I feel that's exemplified by this bill and a number of others today. Thank you, Mr. Speaker."

Representative San Buenaventura rose to speak in support of the measure with reservations, stating:

"Reservations for the same reasons as the Representative of Liliha."

Representative Belatti rose in support of the measure with reservations and asked that the remarks of Representative Ohno be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ito rose to disclose a potential conflict of interest, stating:

"Ruling on a conflict of interest. I own stocks in Hawaii Electric," and the Chair ruled, "no conflict."

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

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

"Strong support. Thank you, Mr. Speaker. This bill requires investor-owned utilities to meet performance incentive mechanisms and performance metrics established by the PUC, and directly ties revenues to such performance. And a market dominated by a single utility, a profit-oriented business responsible for making money for investors, is not naturally incentivized to provide electricity with the best interests of the consumers of that electricity in mind.

"The fact is, coupled with the fact that this business exercises a near monopoly power over the market, and for the people in Ewa and across the State electricity consumption is not discretionary, Mr. Speaker, it's necessary. The food we store, cook, water we heat, the devices we use to communicate with one another, all these obviously require electricity. And, Mr. Speaker, it takes a large chunk of a household's budget.

"We in this body are responsible to the taxpayers, and the PUC is responsible to the ratepayers. These are not always the same. And the money that's paid for this necessity manifests itself as pure profit for investors. While many consumers make great efforts to conserve electricity, myself, my family, my neighbors included, these efforts don't always translate into decreases in rates.

"While electricity consumption has decreased overall through the years due to these efforts, rates continue to increase as well as profits for investors, while renewable energy solutions continue to be hampered by resistance to change due to the effect on the bottom line, Mr. Speaker.

"Mr. Speaker, utility should not be about profits to investors, it should be about providing excellent service to consumers at a reasonable rate, and this is why I rise in strong support of this measure. Thank you."

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

"Thank you, Mr. Speaker. In support. This is quite possibly the single most important consumer protection bill I've seen pass through the Legislature in my entire tenure here. And here's why.

"We know our utilities have not been the most popular entities throughout the State in recent years, and costs have soared for consumers across all islands but in particular in the investor-owned utility that dominates the main islands here in the State.

"We've seen electric rates go up and up and up, and at the same time have seen their profits over the last decade go up more than 80%, and we pay for that. Our people on these islands pay for that. I think while most people are done with the status quo, are tired of it because they have no choice but to pay an ever increasing electric bill, there is something we can do.

"Right now, we have a potential merger out there and a lot of change, but that's all irrespective of what this bill does. No matter who owns the utility, there is a need to change the way that the utility makes money and is incentivized to raise consumer costs year after year after year.

"Right now, the utility makes its money predominantly from a couple places, one of those being investment and infrastructure projects. The more they build, the more they make. Because they are automatically given, generally speaking, about 10% of that cut of that project that they get to take home.

"So whether that project is necessary to energy reliability, to a particular island's energy grid or not, they get to make money on it by building it. And that's why the PUC has raised so much serious concern over the current business model of the utility and the way it's regulated.

"Right now PUC has said numerous times they don't have the capacity to go through every last filing that the utility is making there, and they're dumping reams and reams of information. And there's just no capacity to meaningfully go through it all and determine which projects are in the public interest and which are not.

"This has been frustrating. The PUC has spoken to this. The utility has been slow to change. And I am quoting the PUC here. 'The HECO

Companies appear to lack movement to a sustainable business model to address technological advancements and increasing customer expectations. ... To date, the commission has not observed sufficient urgency by the utility in addressing this rapidly changing business environment.'

"And they speak more specifically to the rising cost and the incentive for the utilities to continue to drive those costs up, because it benefits their shareholders at the expense of all of us, of all our retirees, of all the folks who are forced to pay those bills, whether they like it or not.

"And here's what the PUC said. 'The commission has serious concerns regarding the recent trend of HECO's increasing expenditures for utility plant.' In the utilities recent filings, this is evident more than ever. This direct conflict between the utilities interests and the interests of the people.

"And here is what the commission found when they went through the utilities plans for spending more of our money, ratepayers' money, on these projects.

"The commission is concerned that the implicit deal in the HECO companies' power supply improvement plans appears to favor the financial interests of the companies while providing less prominent and less certain benefits for customers. The companies' prominent claim that their plans would result in 20% residential bill reductions is a selectively limited and potentially misleading characterization of the supporting analyses. Closer examination indicates that the power supply improvement plan costs and rates would actually increase for HECO.

"And that's because, quote, 'the HECO Companies appear to have included resources with higher-costs and uncertain feasibility at the expense of other lower-cost renewable sources that could be developed sooner and with lower development risk.'

"Now here's the key. We're at a turning point. Everybody knows the utilities are getting out of the fossil fuel game, even before the Legislature passed our law last year. And that's just because fossil fuels are just so expensive, we don't control their cost, and their costs are only going up over time. But that's going to require a massive grid investment."

Representative Ward rose to yield his time, and the Chair "so ordered."

Representative Lee continued, stating:

"Thank you. And utility executives have been quoted by saying \$30 billion worth of investment in new infrastructure. The question is, who pays for that? Well, all of us. Those costs are passed on to ratepayers like any before. What that means for our electric bills is a significant increase. If you were to lay that out over all the different ratepayers throughout the State over the next 30 years, that's nearly \$180 per month in additional costs with no guarantee for cost reduction.

"And so as these different projects are brought forward, what's important is that there is meaningful analysis to decide whether they are legitimate projects that serve a purpose, or projects that are just designed to increase the bottom line for the utility.

"And that's what this is about. It's about changing the way utilities are compensated, to align their investments and their incentives with their actual progress in reducing bills for customers, with meeting renewable goals, with meeting customer satisfaction and other expectations. It changes the way that utilities are compensated based on a proven model that's already in place in other states like New York and other places around the country.

"So that the utilities earn revenue and they earn profit, not arbitrarily by just building new projects and other things, but by achieving goals that are in the public interest. The more they work in the public interest, the more they reduce costs, the more renewables they put on the grid, the more they are able to profit.

"It changes the incentive so that we don't face a potential \$30 billion increase on our consumers without knowing that those projects are in the

public interest and the folks, the experts who've weighed in so far have said clearly, there is a way to do this much, much cheaper than that.

"So that's what this bill is about. We have an obligation to make sure that we set solid policy that the PUC is able to regulate and implement. It is on us. That is our job here at the Legislature, established by the Organic Act and then case law for decades.

"And so it's our responsibility, at least I feel it's my responsibility, to make sure we look out for the interests of consumers when there is the single largest cost increase hanging out there, potentially around their necks. We have the opportunity now to do something about that, ensure that the PUC changes the regulatory model, which they are starting to do, but ensure that it happens within the next four years, before these billions in added costs are added to our electric bills. Thank you very much."

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

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

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

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

Representative Har rose in support of the measure with reservations and asked that the remarks of Representative Ohno be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2649, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 51 ayes, with Representatives Belatti, DeCoite, Har, Keohokalole, Kong, McKelvey, Ohno, San Buenaventura and Say voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 880-16) recommending that H.B. No. 212, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 212, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in strong support. Mr. Speaker, if the last speech about the PUC was about the future and probably the best CPC consumer protection bill, this is about the breakthrough to the future of self-sufficiency for Hawaii. This is a battery storage tax credit.

"Mr. Speaker, this fulfills the energy puzzle, the one for self-sufficiency that says, well we got solar on every roof, but we don't have batteries under every house. And that, by the way, Mr. Speaker, is the mantra of my office. Solar on every roof, batteries under every house.

"This will lead to a breakthrough. The same way that we incentivize solar on the roof, this gives an incentive now to buy batteries, even though we are still not at the peak of our technology and the peak of the price for batteries. This is a pioneering effort.

"I want to thank the Vice Chair of Finance for doing this, and I am proud to have my fingerprints on it from a number of years ago. So congratulations. This is a game changer bill. Thank you."

Representative San Buenaventura rose to disclose a potential conflict of interest, stating:

"Ruling on a conflict. We're planning on doing battery backups for our solar system," and the Chair ruled, "no conflict."

Representative Oshiro rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. My reservations basically stem from the fact that there is no income requirement as both a corporation or the individual taxpayer that could claim this tax credit. So I'll wait till the final bill comes back to us. But for right now, with reservations."

Representative Har rose in support of the measure with reservations and asked that the remarks of Representative Oshiro be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 212, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes, with Representatives Har and Oshiro voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 881-16) recommending that H.B. No. 1853, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1853, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIOENERGY HAWAII, LLC," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 882-16) recommending that H.B. No. 2165, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2165, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker, I am in support of HB 2165, HD 2.

"In September 2015, the federal Environmental Protection Agency, the Navy and the State Dept. of Health entered into an Administrative Order on Consent (AOC) to address the release of approximately 27,000 gallons of fuel at Red Hill. The AOC includes a schedule for mandatory upgrades to the Red Hill fuel tanks, as well as leak detection and mitigation efforts. Under the AOC, the Navy must complete certain repairs and upgrades to the tanks and clean up past leaks to protect our freshwater aquifers. The Dept. of Health is responsible for enforcing the terms of the AOC on behalf of the State of Hawaii.

"HB 2165, HD 2 would create five additional positions in the Dept. of Health specifically for the Red Hill fuel tank issue. I am concerned that existing resources are not going to be enough to hold the Navy accountable and keep their 'feet to the fire'. The AOC provides that the State may seek reimbursement from the Navy for costs arising from the Red Hill fuel tanks, so the proposed bill also requires that the Dept. of Health seek reimbursement for the additional staff costs. I do not believe that the taxpayers of Hawaii alone should have to bear the costs of monitoring the Navy's cleanup efforts. Thank you for the opportunity to express my support for HB 2165, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2165, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HEALTH," passed Third Reading by a vote of 51 ayes.

At 10:28 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2569, HD 2
 H.B. No. 2646, HD 2
 H.B. No. 2648, HD 2
 H.B. No. 2649, HD 2
 H.B. No. 212, HD 2
 H.B. No. 1853, HD 2
 H.B. No. 2165, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 883-16) recommending that H.B. No. 2231, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2231, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY COOPERATIVES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 885-16) recommending that H.B. No. 2517, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2517, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Please note my reservations. I'll reserve my comments for when it comes back from the Senate, Mr. Speaker. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2517, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CESSPOOL TAX CREDITS," passed Third Reading by a vote of 51 ayes, with Representatives DeCoite, Jordan and Oshiro voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 886-16) recommending that H.B. No. 1870, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1870, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Strong support, written comments."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I once again rise in strong support of this measure that would pave the way for employers to offer more employment opportunities for our disabled community.

"With the cost of doing business on the rise and with minimum wage going up, we have to be cognizant that many of these businesses hiring individuals with disabilities are doing it as a good neighbor. They are hiring as a way to give back to the community. And when you talk to these businesses that are doing the right thing, they all fear they will no longer be able to afford these windows of opportunity for our disabled community.

"Mr. Speaker, this measure would provide some relief and ensure that employers will still be able to participate in programs like the ones the

Friendship House has set up with various businesses on Kauai. Mr. Speaker, recently I oversaw a chain of convenience stores that hired individuals with disabilities. And we did it because we found we can learn so much more from individuals with disabilities than they can learn from us. They take pride in their work, and while many workers are looking for ways out of doing more work, they look for more work to do. They raised the level of expectations and the performance bar higher and higher each day.

"Mr. Speaker, for these reasons I stand in strong support."

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

"Same request, Mr. Speaker. Thank you."

Representative Tokioka's written remarks are as follows:

"Thank you to Representative Derek Kawakami for introducing this bill. This body has tried to pass this bill many times in the past. This incentive for employers to employ community members with disabilities and developmental disabilities to be a part of the workforce provides an opportunity for them to make a positive difference for our entire community."

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

"Written comments to the Journal in strong support."

Representative Choy's written remarks are as follows:

"Mr. Speaker, I am in very strong support of this measure.

"Tax credits used in this manner fulfill a social need. The use of these tax credits is superior to merely supporting companies with economic development credits. Giving tax incentives for hiring a totally disabled person takes management courage and a strong desire on the part of businesses to address and help a segment of the community to be productive citizens.

"Therefore, for these reasons, I am in strong support of HB 1870, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1870, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 887-16) recommending that H.B. No. 2122, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2122, HD 2 pass Third Reading, seconded by Representative Evans.

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

"In strong support, written comments."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in strong support for HB 2122, HD 2, 'Relating to Employment Security.'

"The purpose of this measure is to enhance employment security by: 1) Increasing the maximum potential unemployment benefits from 26 to 29 times the eligible individuals' weekly benefits amount for individuals who are separated from service on or after March 7, 2016; and 2) Requiring eligible individuals terminated or laid off by Hawaiian Commercial and Sugar Company to complete a training or retraining program to receive the maximum potential unemployment benefit.

"Having these two provisions will help our laid off workers in the State of Hawaii. The Legislature has done it in the past, as an example, the closure of Kohala Sugar and Aloha Airlines.

"*Mahalo* for the opportunity to speak in support of the measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2122, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 888-16) recommending that H.B. No. 2446, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2446, HD 2 pass Third Reading, seconded by Representative Evans.

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

"In strong support, written comments."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in strong support to HB 2446, HD 2, 'Relating to Separation Benefits.' This legislation provides options to assist public employers who may be displaced through the privatization or a closure of a state or county facility and reduce the need for layoffs.

"This measure authorizes public employers to offer a voluntary severance or special retirement benefit to employees who elect to separate from their service when their position are identified for abolishment, reduction in work force, or work force restructuring.

"It is for these reasons I support HB 2446, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2446, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SEPARATION BENEFITS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 889-16) recommending that H.B. No. 2606, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2606, HD 2 pass Third Reading, seconded by Representative Evans.

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

"In strong support, written comments."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in strong support to HB 2606, HD 2, 'Relating to the Employees' Retirement System.'

"This measure establishes a retirement benefit incentive for public employees otherwise eligible to retire, whose position are subject to layoff due to the consolidation or abolishment of functions or the privatization of functions of the positions as a result of Act 103 (2015).

"I ask the Members of the House for their strong support for the working men and women in State Government for HB 2606, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2606, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 890-16) recommending that H.B. No. 2542, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2542, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Tsuji rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tsuji's written remarks are as follows:

"Mr. Speaker, I rise in support.

"The State Department of Agriculture's annual reports, as required by law, have been deficient for the last three years. In addition, pest interceptions fell from 2,475 interceptions in fiscal year 2013 to 1,595 in fiscal year 2015. These statistics could be improved after a closer look by the State Auditor. The audit's findings could also serve as a tool to strengthen this very important division of the department, and bolster Hawaii's first line of defense against invasive species. This is an essential and well-timed bill. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2542, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," passed Third Reading by a vote of 51 ayes.

At 10:31 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2231, HD 1
H.B. No. 2517, HD 2
H.B. No. 1870, HD 2
H.B. No. 2122, HD 2
H.B. No. 2446, HD 2
H.B. No. 2606, HD 2
H.B. No. 2542, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 891-16) recommending that H.B. No. 2473, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2473, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Tupola rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. My concern is that this is very important, that we find people who aren't paying wages and penalize them. However, the first offense is \$1,000, the second offense is \$10,000, which could be up to 10% of a contract. I just feel like in general, the preamble stated that there is about 56 names on the list of backlog cases where they hadn't gotten paid.

"There was another bill, I believe 2472, that actually gave the department, enabled them with four more positions to investigate these claims, which might be a better solution than applying penalties that we're not really sure how many people are second offense violators, why it jumps from \$1,000 to \$10,000. So, those are my reservations. Thank you."

Representative Cachola rose to speak in support of the measure with reservations, stating:

"With reservations, Mr. Speaker. Let me just say this. This bill has some good provisions in the bill, but not so good ones also. It's more or less a signal to investors, developers, come here to Hawaii, and they hire out-of-town workers and pay them less than what local workers are being paid.

"Now if you jack up the penalty too high, \$1,000 for the first offense, \$10,000 for the second offense, there are unintended consequences, especially a signal to those law-abiding contractors, developers locally, who are abiding in accordance with law. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2473, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENFORCEMENT OF WAGE LAWS," passed Third Reading by a vote of 51 ayes, with Representatives Cachola, Tupola and Ward voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 892-16) recommending that H.B. No. 2477, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2477, HD 2 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2477, HD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE EMPLOYEES," passed Third Reading by a vote of 51 ayes, with Representative Ward voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 893-16) recommending that H.B. No. 2007, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2007, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT OPERATIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 894-16) recommending that H.B. No. 2008, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2008, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

Representative Say rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2008, HD 2, 'Relating to Public Employment.'

"This measure prohibits the State from hiring persons for more than two 89-day terms for a fully or partially general funded position per lifetime of the person (with limited exceptions).

"My major opposition to this measure is that it will impede the ability of many departments to provide critical services to the public. The use of the 89-day hires allows departments to provide services to the public pending the filling of an authorized position on a permanent basis. The ability to

use 89-day hires is a 'bridge' that enables departments to provide services while recruiting to fill positions on a permanent basis.

"For these reasons I oppose HB 2008, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2008, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Oshiro and Tupola voting aye with reservations, and with Representatives Say and Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 895-16) recommending that H.B. No. 2013, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2013, HD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 896-16) recommending that H.B. No. 2018, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2018, HD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT PROCESSES AND SERVICES," passed Third Reading by a vote of 51 ayes.

At 10:35 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2473, HD 2
H.B. No. 2477, HD 2
H.B. No. 2007, HD 2
H.B. No. 2008, HD 2
H.B. No. 2013, HD 2
H.B. No. 2018, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 897-16) recommending that H.B. No. 1851, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1851, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1851, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative DeCoite voting aye with reservations, and with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 898-16) recommending that H.B. No. 2326, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2326, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE RESCUE FRAUD," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 899-16) recommending that H.B. No. 2115, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2115, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM FIDUCIARY ACCESS TO DIGITAL ASSETS ACT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 900-16) recommending that H.B. No. 2319, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2319, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 901-16) recommending that H.B. No. 1595, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1595, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE TESTIMONY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 902-16) recommending that H.B. No. 2458, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2458, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," passed Third Reading by a vote of 51 ayes.

At 10:37 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1851, HD 1
H.B. No. 2326, HD 1
H.B. No. 2115, HD 2
H.B. No. 2319, HD 1
H.B. No. 1595, HD 2
H.B. No. 2458, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 903-16) recommending that H.B. No. 2080, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2080, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FUEL CELL ELECTRIC VEHICLES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 904-16) recommending that H.B. No. 2403, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2403, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MEDICAL ADVISORY BOARD," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 905-16) recommending that H.B. No. 2484, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2484, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Cullen rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I stand in support of this measure. For many residents and visitors of Kunia, Waipahu and Ewa, the H-1 freeway on- and off-ramps on Kunia Road are the easiest ways in and out of the community, making it a heavily congested area. In recent years, we have been seeing an increase in the number of speeding-related accidents in this area, and many safety concerns have arisen.

"While there are many accidents all along Kunia Road, I would like to point out three main areas of concern in the immediate vicinity of the intersection between Kunia Road and the H-1 freeway:

1. Kunia Road northbound left turn onto the H-1 westbound freeway on-ramp. In order to access the freeway on-ramp, motorists must turn left in front of two lanes of south-bound traffic on Kunia Road, where motorists are often speeding downhill in order to catch the traffic light just ahead. In the morning, the near lane which turns onto the H-1 eastbound freeway on-ramp will often slow and back up, while the far lane travels at a much faster speed. Vehicles slowing or stopping in front of the turn in the near lane often block the view of oncoming traffic in the far lane, causing drivers to turn without being able to see the speeding cars.
2. H-1 westbound Exit 5A. While drivers exiting on Exit 5A have two designated lanes that continue southbound on Kunia Road, they often take the exit without decelerating, unaware that the traffic light just ahead may be red or about to turn red.
3. H-1 eastbound Exit 5. Exit 5 has a very short off-ramp, leaving drivers with little time or warning to slow down for the upcoming traffic light. Motorists will often speed to make the light, running yellow or red lights so that they do not have to wait at the signal. There is very little delay between the Exit 5 light turning red and the southbound Kunia Road light turning green, and motorists who are eager to turn as soon as the light changes collide with motorists who are impatient for their next green light.

"Having advanced warning signals in these areas could help drivers make better decisions about when they should slow down as they approach the intersection. While advanced warning signals alone will not prevent all accidents in the area, studies have shown that they have the potential to greatly increase safety at intersections.

"Mr. Speaker, we all know that traffic congestion is a huge problem, especially for residents of West Oahu. Traffic accidents, no matter how major or minor, increase that traffic greatly. We should look at ways to decrease accidents to improve safety as well as decrease traffic congestion.

"I stand in support of this measure because it will help protect the residents of not only my district – District 39 – but any person driving within the area. Thank you."

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, this bill would require the State Department of Transportation to conduct a traffic safety study from Kunia Road to Wilikina Drive and find whether it would be feasible to install an advance warning signal at exit 5A on the H-1 freeway. Traffic speed and safety is clearly a problem not only on the westbound H-1 freeway during peak hours but from Exit 5A to Kunia Road *mauka*-bound to Wilikina Drive, as well as *makai*-bound onto Fort Weaver Road into Ewa. Studies have shown that proper implementations of advance warning signals can increase traffic safety and regulate traffic flow by giving advance warnings to drivers of the status of upcoming signals. That is why I support this bill which has the potential to benefit Ewa commuters as well as commuters from neighboring communities."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2484, HD 1, entitled: "A BILL

FOR AN ACT RELATING TO HIGHWAYS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 906-16) recommending that H.B. No. 1736, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1736, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KONA INTERNATIONAL AIRPORT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 907-16) recommending that H.B. No. 2490, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2490, HD 2, entitled: "A BILL FOR AN ACT RELATING TO VETERANS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 908-16) recommending that H.B. No. 2755, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2755, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INCIDENT RESPONSE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 909-16) recommending that H.B. No. 1807, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1807, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MILITARY SERVICE," passed Third Reading by a vote of 51 ayes.

At 10:38 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2080, HD 2
H.B. No. 2403, HD 1
H.B. No. 2484, HD 1
H.B. No. 1736, HD 1
H.B. No. 2490, HD 2
H.B. No. 2755, HD 2
H.B. No. 1807, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 910-16) recommending that H.B. No. 1397, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1397, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NEW MARKET TAX CREDITS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 911-16) recommending that H.B. No. 2610, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2610, HD 2 pass Third Reading, seconded by Representative Evans.

Representative San Buenaventura rose to disclose a potential conflict of interest, stating:

"Ruling on a conflict. My husband works for the movie industry," and the Chair ruled, "no conflict."

Representative San Buenaventura continued, stating:

"May this ruling last throughout the session? Thank you," and the Chair "so ordered."

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

"Mr. Speaker, I rise in opposition to this measure. With all due respect to the tax credit for the neighbor islands, Mr. Speaker, this is probably one of the most well-conceived but poorly intended, because of the unintended consequences that are going to come out of it.

"This bill suggests that if we incentivize the motion picture industry to go to the neighbor islands by hiring 60% of the local people, the local people, the neighbor islands will benefit from it. My fear, Mr. Speaker, is the exact opposite will occur.

"This bill says that they have to require 60% of the crew to be hired from the neighbor islands with reasonable efforts. With reasonable efforts is not defined in the bill, so what are you going to do if you're a filmmaker? Right now the reality is you can't get 60% on Maui, you can't get 60% on the Big Island, you can't get 60% in Kauai. So what are you going to do? You're going to pull back and just do it on Oahu.

"So, Mr. Speaker, while this intends to get the movie industry out to the neighbor islands, which gives them a better tax incentive than Oahu, the exact opposite is going to occur. That's my fear. For those reasons, Mr. Speaker, I think the Senate needs to examine this very, very thoroughly. Even though it's a warm and fuzzy for the neighbor islands, I think the exact opposite is going to occur and they are going to incur less movies through the neighbor islands rather than more movies. Thank you, Mr. Speaker."

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

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

Representative Tokioka rose to speak in support of the measure with reservations, stating:

"Reservations. I'd like to echo the same concerns that the Representative from Hawaii Kai brought up. And I know it's to help the neighbor island legislators, but I think it will have a negative effect. Thank you very much, Mr. Speaker."

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

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

"In support. Thank you, Mr. Speaker. The fact of the matter is that right now what is happening is film production on the neighbor islands is being disincentivized. What's happening is that they are being discouraged from coming over to Maui and other neighbor islands.

"And Mr. Speaker, that upsets me. I give the Chair of Economic Development credit for incorporating the words reasonable attempt to hire locals as is defined by county residency. But it's an important step forward, Mr. Speaker, because what's happening is we need to provide jobs for our community members also.

"Ninety-seven percent of film production currently right now is done on the island of Oahu. The remaining 3% is split up between Maui County, Kauai and the Big Island. We get about 1.5% of that total 100%. So we're just saying to the film industry, we want to be considered for film production also. And that's why I appreciate your Chair on Economic

Development pushing it forward, and also your Chair of the Committee on Finance. So it's for those reasons, Mr. Speaker, I stand in support."

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

"I stand in support. I echo the comments of the Representative from Maui. What is really happening on the Big Island, as well as all the other neighbor islands, is that without the kind of incentives to look to the neighbor island talent, they bring in people from the mainland, they bring in people from Oahu, when we definitely already have a lot of the talent on the neighbor islands to do a lot of the work.

"If you notice, this bill doesn't say an exact percentage. It just gives an incentive. And for those reasons, I support it. Thank you."

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

"I stand in support, Mr. Speaker, and I would encourage it to come to Molokai. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2610, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Keohokalole, Matsumoto, Oshiro and Tokioka voting aye with reservations, and with Representative Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 912-16) recommending that H.B. No. 2053, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2053, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Strong support, written comments."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, in strong support.

"HB 2053 is a bill that would establish a special procurement process for the procurement of certain goods and services. This particular measure would ease the transition of being able to provide locally sourced food in our school cafeterias and other government agencies.

"Our current procurement code is extremely restrictive and has been a barrier to bringing healthful, locally grown foods into our schools. A wide range of diversified organizations such as The Chamber of Commerce of Hawaii, The Local Food Coalition, Hawaii Food Policy Council, Ulupono Initiative, Hawaii Cattlemen's Council, and The Hawaii Farm Bureau have all expressed their support towards this movement. Mr. Speaker, even the Chief Procurement Officer Sarah Allen has expressed her strong support in this measure, and I would like to note that she is a staunch protector of the integrity of our procurement process and this in no way shape or form degrades the checks and balances of our procurement process.

"If we want healthier locally grown options for our *keiki* in our public school system, it is measures such as HB 2053 that will allow it to happen."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2053, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 913-16) recommending that H.B. No. 2269, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2269, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 914-16) recommending that H.B. No. 2266, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2266, HD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR EARLY LEARNING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 915-16) recommending that H.B. No. 539, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 539, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Definitely in support. I just wanted to note one thing. It's the women's volleyball team at University of Hawaii that has consistently provided revenues for the school, but guess where the attention and the money goes? The men's football team. Thank you."

Representative LoPresti rose to speak in support of the measure with reservations, stating:

"I have very strong reservations about this, or portions of this bill. I certainly support the funding in the Title IX, but this bill is extremely different from the bill that I signed. The entire contents are different and I have reservations about that alone, but specifically I am concerned about the provision that would require the University to take all of the tuition paid by student athletes and keep it in the athletic department in order to therefore make athletics sustainable.

"I think athletics has to be sustainable if it's not directly related to the mission of the institution in the first place, so it darn well better be sustainable on its own. But this forcing of them, of that institution to maintain the tuition put in from the student athletes and the athletics department, is not the way, in my understanding, the way university budgets need to be meted out.

"By that reasoning, whatever program a student is in, they should keep all the tuition brought in from those students in that program. And that would bring the institution of universities to a grinding halt if that logic were extended, Mr. Speaker, because there's so many different other tangential and supporting aspects to what a university provides that wouldn't get any funding out of that kind of funding scheme, if it were to be logically extended. And for that reason, I have very serious reservations. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 539, HD 2, entitled: "A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII ATHLETICS," passed Third Reading by a vote of 51 ayes, with Representative LoPresti voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 916-16) recommending that H.B. No. 1703, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1703, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 51 ayes.

At 10:47 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1397, HD 2
 H.B. No. 2610, HD 2
 H.B. No. 2053, HD 1
 H.B. No. 2269, HD 2
 H.B. No. 2266, HD 2
 H.B. No. 539, HD 2
 H.B. No. 1703, HD 2

At 10:47 o'clock a.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:56 o'clock a.m.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 917-16) recommending that H.B. No. 1111, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1111, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RECORDS OF THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 918-16) recommending that H.B. No. 1627, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1627, HD 3, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL INVESTIGATIONS BY THE REGULATED INDUSTRIES COMPLAINTS OFFICE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 919-16) recommending that H.B. No. 2121, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2121, HD 3, entitled: "A BILL FOR AN ACT RELATING TO LEGAL SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 920-16) recommending that H.B. No. 2647, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2647, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Tupola rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Little, slight reservations. I realize it's just a pilot program and it's really important that we get homeless people back into the workforce. My only concern was that the city is supposed to administer it. So we currently have lots of non-profits that do this. They have the personnel, they have the administration, they do it very successfully.

"Goodwill does, I forget the name of theirs, Employment Core Services, Waikiki Health Center has Next Step Shelter, they all do the same thing. They help homeless people as well as low income individuals get off the streets, get employment, get job training and actually succeed in the job force.

"My concern with the pilot is just that maybe one of these programs that already currently does it should oversee the pilot so that it succeeds, as opposed to the city that doesn't currently have the infrastructure, the administration or the personnel to do it. Thank you."

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, I support this bill and the effort to support Hawaii's homeless. Far too often our homeless are considered second class citizens and pushed to the side. This bill would finally put the wheels in motion for a program that helps the homeless population find work and give them hope to overcome their situation. This pilot program would have a direct impact on the opportunities for work and increase the chance of our fellow citizens to rise above their dire situation. This pilot program is a great way to implement a program that has worked well and has been praised in other states. This pilot allows our state time to evaluate such a program here in Hawaii."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2647, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOMELESSNESS," passed Third Reading by a vote of 51 ayes, with Representative Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 921-16) recommending that H.B. No. 1516, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1516, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1516, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSESSMENT OF THE INTERNET CRIMES AGAINST CHILDREN FEE AGAINST CRIMINAL DEFENDANTS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting aye with reservations, and with Representative Lowen voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 922-16) recommending that H.B. No. 2293, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2293, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION," passed Third Reading by a vote of 51 ayes.

At 10:59 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1111, HD 2
 H.B. No. 1627, HD 3
 H.B. No. 2121, HD 3
 H.B. No. 2647, HD 2
 H.B. No. 1516, HD 1
 H.B. No. 2293, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 923-16) recommending that H.B. No. 2305, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2305, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DWELLING UNIT REVOLVING FUND," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 924-16) recommending that H.B. No. 2335, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2335, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PHYSICIAN DISCIPLINE," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 925-16) recommending that H.B. No. 1751, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1751, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 926-16) recommending that H.B. No. 2169, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2169, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORKERS," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 927-16) recommending that H.B. No. 1733, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1733, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative Jordan's written remarks are as follows:

"The Hawaii Administrative Rules (HAR) currently allows a permittee to submit a commercial permit renewal application up to ninety days in advance and also provides for a thirty day grace period in the event a permittee fails to submit the renewal application prior to the expiration of the commercial permit. The HAR also assesses a penalty of \$250.00. I do not support placing new deadlines in the Hawaii Revised Statutes, hence my reservations."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1733, HD 2, entitled: "A BILL FOR AN ACT RELATING TO USE PERMITS FOR SMALL BOAT FACILITIES," passed Third Reading by a vote of 51 ayes, with Representatives Jordan and Oshiro voting aye with reservations.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 928-16) recommending that H.B. No. 2636, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2636, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure with reservations, stating:

"With reservations, because the bill is filled more with obfuscation than actually intelligible language that people might understand it. This is the bill that I don't think anybody on this floor, unless the chair can stand up and explain what it really means, about the solar energy in rural districts. It's very confusing, and because of that I have reservations."

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

"Thank you, Mr. Speaker. I submitted this bill because we have very large substandard agricultural subdivisions on the Big Island. These were created a long time ago and some of them have, one of them in particular has over 12,000 one-acre lots and another one adjacent to that has 1,200, and there are other ones that are quite large.

"These are agricultural but they are not suited for agriculture and they essentially have been residential. However, when we passed the law allowing solar on substandard agricultural land, we didn't think about these areas on the Big Island which were predominantly residential. And what happened in this instance is a company came in and got permits to put two-acre solar installations on 20 lots in that residential subdivision, therefore creating a situation that could cause great harm to that subdivision.

"So, this law would prevent this solely by requiring a special permit. It doesn't require that it won't be done, it's just that now the county can weigh in on the issue. So it's just allowing the county to weigh in on this issue, and it only applies to these large substandard subdivisions on the Big Island, which have existed for some time. Thank you."

Representative Ward rose, stating:

"Mr. Speaker, I thank the good Member from the Big Island, and from that I withdraw my 'with reservations'."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2636, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SOLAR ENERGY FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 929-16) recommending that H.B. No. 970, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 970, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Tupola rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. There's two things happening in this bill. First, it's moving the Department of Transportation towards scanning insurance cards, which is important. Less manual data entry means more accuracy, possibly less errors. But the second thing is it moves decision making for fees into administrative rule processes, which means in hind sight this could possibly have less legislative oversight for fees. Specifically, the vehicle registration fee.

"And so by moving it into administrative, we wouldn't have any oversight and it could increase or decrease without any notice. And so for those reasons, I think that we should beware of possibly moving it there and knowing that the fees are already very, very high. Thank you."

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

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

Representative Tupola rose, stating:

"Just switching from reservations to a no vote. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 970, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSPECTIONS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representative Ward voting aye with reservations, and with Representatives Fukumoto Chang, Matsumoto, Ohno and Tupola voting no.

At 11:05 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2305, HD 1
 H.B. No. 2335, HD 1
 H.B. No. 1751, HD 2
 H.B. No. 2169, HD 2
 H.B. No. 1733, HD 2
 H.B. No. 2636, HD 2
 H.B. No. 970, HD 1

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 930-16) recommending that H.B. No. 1731, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1731, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WASTEWATER," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 931-16) recommending that H.B. No. 1739, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1739, HD 2 pass Third Reading, seconded by Representative Evans.

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, as we increasingly use computers, tablets and other electronic devices at work, we need to realize that legislation has not kept up with the technology. A recent poll found that 90% of Americans think that the next president should make 'protecting privacy so we have more control over our personal information' a policy priority. This bill prohibits employers from requiring, requesting, or coercing employees or potential employees to provide access to their personal social media accounts. It also establishes that employers are allowed to view any public social media sites, view private sites when conducting an investigation into misconduct, and prohibit employees from accessing their social media during work hours. In an ever more connected world, this bill would protect the privacy of individuals while establishing rules of employer-employee relationships."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1739, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 932-16) recommending that H.B. No. 1753, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1753, HD 3, entitled: "A BILL FOR AN ACT RELATING TO MOPEDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 933-16) recommending that H.B. No. 2422, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2422, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Tsuji rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tsuji's written remarks are as follows:

"Mr. Speaker, I rise in support.

"Several months ago, a Hilo constituent asked me to assist a group of lawyers who represent national chains doing business in Hawaii. They wanted to see relief from- and I quote- the overly burdensome and archaic liquor laws that requires extensive background information (since they finished high school to the present) in order to obtain a liquor license.-end quote.

"Mr. Speaker, many national chains are listed on the stock exchanges and do business in all 50 states. Their officers and directors are already subject to scrutiny by shareholders and the Securities and Exchange Commission, as well as other federal agencies. Oftentimes obtaining a license is held up because of the time it takes to get all the necessary background information. This bill would save everyone a lot of time.

"I also appreciate the Judiciary Chair's amendment which ensures no licensee has delinquent state or federal taxes and/or penalties.

"This measure would remove some of the unintended bureaucracy for Hawaii businesses. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2422, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 934-16) recommending that H.B. No. 1585, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1585, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Kong rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, ruling on a potential conflict of interest. I have just been appointed a guardian," and the Chair ruled, "no conflict."

Representative Kong continued to speak in support of the measure with reservations, stating:

"With reservations. I got appointed just because of what this bill is intending to do, so I am not too sure how it will play out yet. Thank you."

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

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I have some slight reservations on HB 1585, HD 2, which would prohibit a legal guardian from restricting the personal communication rights of a ward, unless the guardian determines that the communication would 'pose a risk to the safety or well-being of the ward.' I support the overall intent to prohibit legal guardians from restricting the personal communications of a ward. However, I believe that this should be a blanket prohibition, so that a legal guardian cannot restrict any communication with a ward. In some cases, a legal guardian may attempt to isolate a ward to take advantage of financial resources or, worse, to hide abuse of a ward. For example, a sibling who is legal guardian of a parent

could prohibit communication with other siblings, in an effort to disinherit the other siblings.

"The current language of HB 1585, HD 2 leaves a loophole to allow these situations to occur, which is why I cast my vote with reservations. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1585, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GUARDIANSHIP," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Ichiyama and Kong voting aye with reservations, and with Representatives Choy, Har and Oshiro voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 935-16) recommending that H.B. No. 1756, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1756, HD 3, entitled: "A BILL FOR AN ACT RELATING TO NURSING," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 936-16) recommending that H.B. No. 1578, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1578, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THEFT," passed Third Reading by a vote of 51 ayes.

At 11:08 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1731, HD 2
H.B. No. 1739, HD 2
H.B. No. 1753, HD 3
H.B. No. 2422, HD 1
H.B. No. 1585, HD 2
H.B. No. 1756, HD 3
H.B. No. 1578, HD 2

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 937-16) recommending that H.B. No. 1705 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1705, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 938-16) recommending that H.B. No. 1713, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1713, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I rise in support, but with reservations regarding HB 1713. There was much passionate testimony for and against this bill, but all testifiers agree that our teachers work tirelessly to plan meaningful curriculum for their students and that school trips are a wonderful way to bring classroom lessons to life in a real-world context.

"So exempting one group of state employees from multiple provisions of the Ethics Code is not the best way to support our hardworking teachers.

"In the short term, this measure would address the frustrations voiced by well-meaning educators who want the freedom to select, plan and coordinate trips for their students, instead of going through school administration, per the BOE policy developed with input from the Ethics Commission staff.

"But over time, the exemption would create a bigger problem than it solves. Any special exemption from the State Ethics Code undermines the very purpose of the code – which is to ensure the integrity of government operations and the general public's confidence in our public servants.

"In this way, the exemption harms the reputation of teachers. Parents of students – the ones who must find the money to pay for their child's educational trip – may suspect they aren't getting the best value for their dollar when the teacher recommends a trip offered by a tour company that throws in a 'bonus' like a free plane ticket or hotel room for the teacher, or the gift of an iPad for the teacher.

"The issue isn't whether the teacher was swayed by the bonus or gift from the tour company; it's whether the teacher's acceptance of the bonus or gift could be perceived as having influenced the teacher's decision.

"Instead of exempting teachers and inviting suspicion on their motives, let's consider the sensible route suggested by Common Cause and the League of Women Voters: Adopt a resolution urging BOE and DOE to keep working with teachers to find a non-legislative, mutually acceptable solution – one that leaves our State Ethics Code clean and intact. Thank you, Mr. Speaker."

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

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 1713, House Draft 2, but with serious reservations.

"The bill seeks to address a recent opinion issued by the Ethics Commission that concluded that acceptance by teachers and other Department of Education employees of free travel and other free benefits from private tour companies violated five sections or subsections of the State Ethics Code. Specifically, this bill would exempt school employees from compliance with Sections 84-11, 84-11.5, 84-13, 84-14(a)(2), and 84-14(d), Hawaii Revised Statutes.

"As noted by the League of Women Voters in their testimony to your Committee on Judiciary:

Our State Constitution, Article XIV, outlines clearly that that the Ethics Code is established "so that public confidence in public servants will be preserved." We do not believe public confidence can be preserved with the travel gifts to teachers, whether official or "extracurricular."

Over the past couple of years, the State Ethics Commission has consistently advised that if it even appears to a reasonable person that the gift is given to influence or reward the employee for official action, the employee is prohibited from accepting the gift. This kind of interpretation is important and necessary, because the Commission's duty is to apply the Code to specific ethical questions and complaints. Suggesting repeal of this interpretative duty as called for in this bill would strip the Commission of its effectiveness. We shouldn't do this because it would leave those governed by the statutes in the dark and it would leave the public in the dark about how the ethics statutes apply.

"I also want to share an excerpt of the testimony offered by the Ethics Commission, to wit:

. . . [T]he Commission's advisory opinion was intended to help teachers and the DOE understand how the State Ethics Code applied to one school's Spring Break trip and others trips that were similarly organized. As stated above, the Commission's concern about the free travel and other personal benefits that teachers were receiving was because of the way student trips were structured, i.e., the teachers' role in selecting the tour company, soliciting the students and their parents, and then being given free trips.

The Commission repeatedly has explained that the State Ethics Code issues can be addressed if the trips are organized differently, i.e., if the teachers are not directly involved in selecting the company and soliciting the students and their parents. It simply is unnecessary to create an exception in the State Ethics Code so that teachers can accept free travel from tour companies. If the DOE believes that the trips are part of the DOE student learning experience and should continue, the DOE can develop a process that addresses the Commission's concerns and protects its teachers from actions that may violate the State Ethics Code. [Emphasis in original.]

"This bill would establish a slippery slope. Which group of public employees will be the next to request an exception from the Ethics Code? Will this body be inundated with requests for statutory exceptions whenever anyone disagrees with the opinions of the Ethics Commission?"

"Please don't get me wrong. Do not interpret my reservations to be an all-encompassing endorsement of the Ethics Commission or its Executive Director. When I read the Commission's opinion, my initial reaction was that the Commission's conclusion was extreme. Could the gift of free travel have been accepted by the school instead of the teacher? If the gift was accepted by the Principal on behalf of the school and then distributed to the teachers who would be serving as chaperones, would the terms of the Ethics Code been met? These are just some of the questions that came to me as I read the opinion.

"An opinion is just that – an opinion. Whether the law would be enforced or interpreted in the same manner by the Court remains to be seen. However, to immediately react by enacting a statutory exemption to undo what one person or one group believes the law should mean, in my opinion undermines the public policy behind the Ethics Code and ultimately does a disservice to our constituents.

"I truly hope that the DOE will work with the Ethics Commission to resolve this problem without us having to enact this bill. If not, then we are opening a can of worms that will be very messy to close."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1713, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Third Reading by a vote of 51 ayes, with Representatives Oshiro and Thielen voting aye with reservations.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 940-16) recommending that H.B. No. 2081, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2081, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Ohno rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. Without regard to the substance of this bill, I'm concerned about the role of the Legislature inserting itself into the role and responsibilities of the PUC. Thank you."

Representative San Buenaventura rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. I also agree with the Representative from Liliha, except in this particular case the insertion of certain factors in the statute then highlights the kind of factors that the PUC may be required to take into account versus other factors that the PUC would also find important. And as such, this micromanaging of the PUC, we either dismantle it or we don't.

"But if we're going to have a PUC, we should allow them to have a docket, do the investigation for the docket, and let them come to a conclusion. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2081, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 51 ayes, with Representatives Keohokalole, Ohno, San Buenaventura and Say voting aye with reservations.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 941-16) recommending that H.B. No. 2077, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2077, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In strong support and I'd like to insert written comments into the Journal."

Representative Tokioka's written remarks are as follows:

"Thank you, Mr. Speaker, for allowing me to insert written remarks with strong support to HB 2077, HD 2. The passage of this bill by following federal standards for small hydropower facilities will help many farmers who use the water for their crops while also being beneficial for the generation of electric power."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2077, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HYDROELECTRIC POWER," passed Third Reading by a vote of 51 ayes, with Representative Keohokalole voting aye with reservations.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 942-16) recommending that H.B. No. 2567, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2567, HD 1 pass Third Reading, seconded by Representative Evans.

Representative San Buenaventura rose to speak in support of the measure with reservations, stating:

"With reservations. As the consumer advocate testified, although it looks like this is specifically for the NextEra-HECO merger, it also could apply to co-ops. It could also apply to Hawaiian Telcom. We all went through when it was Hawaiian Telephone, to GTE, to Verizon, to now Hawaiian Telcom. We didn't require substantial net benefits there.

"And so although it looks like it's specifically for NextEra, because of the way it is written with us now also requiring potential co-ops who want to merge with HECO, we may end up actually preventing such things from occurring. And as such, with reservations."

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

"Mr. Speaker, I was a no vote on second reading, and may the words that I spoke be incorporated as part of third reading in opposition," and the Chair "so ordered." (By reference only.)

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

"Thank you. In support. On this one I will be brief, I promise. I just wanted to make a couple points. One is, this basically applies to prospective mergers from here forward, looking at the PUC approving that on a standard, a substantial net benefit, which means there shall be benefit to the public. Status quo is not good enough.

"That is the standard which the PUC has applied previously in a merger such as Hawaiian Telcom and others, and whether it applies to just a merger of the sort that is pending right now, or a co-op, or whatever it is in the future, I think that is appropriate, because we need to demonstrate improved progress, improved public benefit, and especially if it's going to be a co-op or some flavor of a co-op.

"Already the studies looking into that transition, particularly on Maui, demonstrate at a minimum, at a minimum, 6% to 8% savings on electric bills from day one, just by switching the business model, which is a substantial public benefit. In fact, four times as much as NextEra is putting on the table now. So I just make those points and be done. Thank you very much."

Representative Keohokalole rose to speak in support of the measure with reservations, stating:

"With reservations. I'd like to incorporate the words from the speaker from Puna into the record as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Keohokalole continued, stating:

"I'm just going to speak really briefly, because I have gone reservations on a number of these PUC-related bills, with all due respect to the Energy Chair. I do appreciate all the work that he is putting to these proposals to try and move the needle on energy. I do worry about the unintended consequences of some of these proposals, particularly to some of the constituents in my district. Thank you."

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

"Thank you, Mr. Speaker. I stand in support. But I also want to clarify, this is a bill that came to us that was troubling and that needed more work, and one of the issues we grappled with was the fact that public benefit was not defined at all in the measure.

"In my mind, that would be giving the policy control to which this body has over to a quasi-judicial regulatory body completely. But we recognize, as the good Representative before said, that to put in hard, fast criteria would be inappropriate because it would bind the hands of any future commission to look at each and every proposal in and of its own light.

"So what we did is we put in this as guideposts. Like the State Planning Act. They're just recommendations for the commission to use when the next one comes, but they're not bound to it in any way, shape or form. And the other thing we did is we made the date prospective to January 1st, 2017, as to not interfere with any existing docket of the PUC, which I think is a concern of the Members, but also so that this would be something going forward for future things. It doesn't bind the hands of the PUC, but gives them policy, general policy direction of the Legislature. But they do have the flexibility to take each and every proposal in and of itself.

"I share the concerns of my colleagues who've gone with reservations on this. Just to clarify, we actually took amendments from Hawaiian Telcom to ensure that they and other dockets like that would not be included, it's only for electrical utility proposals in the future prospectively with these things as guidelines from the Legislature to the PUC. They are free to do their job and we want them to do their job, and that's why other bills giving them money and staffing I think are really the things that we need to focus in on at the end of the day. Thanks."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2567, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Keohokalole and San Buenaventura voting aye with reservations, and with Representatives Kong, Say and Tokioka voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 943-16) recommending that H.B. No. 1730, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1730, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Ohno rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. Once again, without regard to the substance of this bill, I have concerns about the degree and the frequency with which the Legislature inserts itself into the process of the PUC. Thank you."

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

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

"Also with reservations. I'd also like to point out that the Energy Policy Forum testified on this bill, basically stating why is it we're only talking about peak periods and not all the other periods which may also need to be incentivized. Thank you."

Representative Belatti rose in support of the measure with reservations and asked that the remarks of Representative Ohno be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1730, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY TARIFFS," passed Third Reading by a vote of 51 ayes, with Representatives Belatti, Keohokalole, Ohno, San Buenaventura and Say voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 944-16) recommending that H.B. No. 2657, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2657, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In strong support and I would just like to echo the Chair of the Department of Agriculture, this is a very good bill. This sends a clear message to our farmers and ranchers that the State does support farming and ranching. It holds these farmers and ranchers

accountable to meet food safety certification measures by mandate of the federal government. I would like to also insert comments into the Journal. Thank you."

Representative DeCoite's written remarks are as follows:

"In strong support. This allows farmers and ranchers to meet the food safety needs mandated by the Food Safety Modernization Act. It also shows that the State of Hawaii is in strong support of agriculture. Having to meet the criteria and not having a penny more for certification puts them into a bad financial situation. This bill allows a cost reimbursement that forces the farmer and rancher to up front their funds first and once they get certification they will get reimbursed. This is a good bill and should be pushed statewide, so that we continue to help farmers and ranchers continue to grow food."

Representative Tsuji rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tsuji's written remarks are as follows:

"Mr. Speaker, I rise in support.

"This bill provides assistance to Molokai farmers and ranchers to reimburse costs of mandated food safety compliance audits and other related expenses.

"We knew compliance with the Federal Food Safety and Modernization Act would be challenging. Now as the federal government begins to roll out its actual rules, the enormity of the task is becoming clearer. The new, basic requirements for water treatment and refrigeration equate to changes on many of Hawaii's farms. Extensive efforts will be important to ensure affordability, especially for small-scale farms.

"I ask the Members' support of this measure to make sure that our farmers are able to meet compliance deadlines and remain competitive in the marketplace. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2657, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

At 11:19 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1705
H.B. No. 1713, HD 2
H.B. No. 2081, HD 2
H.B. No. 2077, HD 2
H.B. No. 2567, HD 1
H.B. No. 1730, HD 2
H.B. No. 2657, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 945-16) recommending that H.B. No. 1096, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1096, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 946-16) recommending that H.B. No. 2544, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2544, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONSTRUCTION CONTRACTS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 947-16) recommending that H.B. No. 1669, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1669, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCOUNTANCY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 948-16) recommending that H.B. No. 2088, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2088, HD 1 pass Third Reading, seconded by Representative Evans.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2088, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT," passed Third Reading by a vote of 51 ayes, with Representatives Jordan and Oshiro voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 949-16) recommending that H.B. No. 2289, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2289, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 950-16) recommending that H.B. No. 2486, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2486, HD 3 pass Third Reading, seconded by Representative Evans.

Representative Cullen rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I stand in support of this measure which helps increase the number of jobs in Kapolei by creating incentives for businesses in the Kapolei area. Hawaii's unemployment rates in correlation with the high cost of living are pushing more people into poverty. This bill will help to employ more people that live in the geographical area while also alleviating eastbound traffic during peak hours of the morning and also westbound traffic in the evening, allowing people to live and work within their community. This is not only a job creating measure, but also a measure that will help ease traffic congestion and increase the quality of life."

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

"Thank you, Mr. Speaker. In strong support. I'll be brief. This bill will incentivize job growth in Kapolei and the Ewa Plain by offering tax credits to qualified businesses. The idea of a second city, as we all know, was posited decades ago to encourage concentrated urban development in West Oahu.

"While the area continues to grow in an exponential rate in the residential population, there is still very limited growth in economic or commercial businesses, including in my area in the district of Ewa. This has profound effects on the quality of life, not to mention the least of which is traffic. Because if we had jobs where people lived, our traffic wouldn't be so horrible. Thank you."

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

"Thank you, Mr. Speaker. In strong support. May I please incorporate the words of the Representative from Ewa Beach into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In strong support. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2486, HD 3, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Third Reading by a vote of 51 ayes.

At 11:22 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1096, HD 2
H.B. No. 2544, HD 2
H.B. No. 1669, HD 2
H.B. No. 2088, HD 1
H.B. No. 2289, HD 2
H.B. No. 2486, HD 3

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 951-16) recommending that H.B. No. 2727, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2727, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, in strong support, and I ask to insert written comments into the Journal."

Representative Tokioka's written remarks are as follows:

"Thank you to the Chair of Judiciary, Representative Karl Rhoads, for waiving off on the referral for this bill. I also want to thank the Chair of Finance, Representative Sylvia Luke, for hearing and passing this bill. Through testimony, the Committee on Finance had the opportunity to hear how important the bill is to not only deaf individuals but people who are hard of hearing, blind, low vision and individuals where English is a second language. This bill has been received with open arms from several communities across our state."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2727, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOVIE THEATERS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 952-16) recommending that H.B. No. 2607, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2607, HD 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PQ ENERGY LLC," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 953-16) recommending that H.B. No. 2076, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2076, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

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

"Thank you, Mr. Speaker. In support. Just to be brief again, as you know, we live in a free market economy, Mr. Speaker. However, unbridled, unchecked capitalism can quickly devolve into monopolistic businesses controlling the market and exercising power and over vertical control of resources.

"We've seen this throughout history, Mr. Speaker. The railroad robber barons of the newly industrialized United States, the Big Five here in Hawaii. Retail wheeling for our electric utilities in Hawaii encourages competition and innovation across the grid while keeping the current infrastructure intact, ensuring a healthy competitive market open to innovation and providing the best product for consumers of electricity, Mr. Speaker.

"And I'll add, I don't normally look to Texas for inspiring legislation, given my views, but they have this and it seems to be working out pretty darn well for them. I think we should really try to model this after them. Thank you."

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

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 2076, HD 1 with reservations. This bill requires the Public Utilities Commission to establish policies and rules to implement retail wheeling without first determining whether wheeling is feasible, has definite benefits in Hawai'i, and is in the public interest.

"There are several concerns I have with this bill which are the heart of my reservations. Allowing independent power producers to sell electricity directly to end users will likely benefit a few large-load customers at the expense of non-wheeling customers who may have to pay for all the cost of the current infrastructure while impeding the utilities' ability to pursue 100% renewable energy by 2045. The current purchase power model used by the utility ensures that ALL customers can benefit from lower cost energy. In Hawai'i, we now have the boldest energy goal in the nation: A 100% renewable energy portfolio standard by 2045. This requires the utilities to invest in diverse resources to protect the resiliency of the supply. Retail wheeling attacks that strategy by focusing on short term costs and using the cheapest resource at the time, which may create an unbalanced set of resources. This increases the risk profile of the utilities which in turn will hurt our customers.

"Further, this bill is not consistent with the State's clean energy goals, to the extent it allows fossil fueled power producers to sell directly to end customers effectively bypassing and undermining the objective of 100% RPS by 2045. In addition, retail wheeling, as proposed, creates winners and losers between independent power producers – those who sell directly to a select group through wheeling vs. those currently with purchased power agreements with the utilities or currently negotiating Power Purchase Agreements with the utility. This bill will make obtaining renewable energy more difficult which could result in higher prices for a majority of our customers. Further, wheeling may result in the degradation of service reliability. The utility would not be a party to any wheeling contract and the utility will be unable to predict where the load will come on to the system and make sure that the transmission infrastructure is adequate. There is less ability for the utility to negotiate to change operating requirements and project design to protect the system. The utilities need to be involved in setting operational reliability standards to assure system reliability. In Hawai'i, there's no extension cord to the mainland. Unlike California and many other places we're compared to, we can't plug into the mainland grid, either to buy or sell electricity to neighboring utilities and for reliability. As loads continue to decrease, as we have seen over the last 10 years, the loss of large customers will impair the sustainability of fair cost allocations to all customers which will impair economic development and the attainment of our state renewable policies and goals. We must address the State's energy future as a whole and not with techniques that sound reasonable as stand-alone concepts, especially those used in larger grids in the mainland with large manufacturing and commercial loads. Hawai'i has the best chance of success when all stakeholders can participate in reasoned discussions.

"I believe the Hawaii Public Utilities Commission ('PUC') has the jurisdiction to do so. The PUC has already initiated a proceeding to examine the feasibility of intra-governmental wheeling, a more focused investigation, in response to the 2004 Legislature's Senate Concurrent Resolution No. 180 ('S.C.R. No. 180') but more importantly has initiated proceedings that are examining the transformation of the provision of electrical services in Hawai'i and how state energy policy goals can best be achieved. The PUC should be allowed to continue its investigation into whether intra-governmental wheeling is feasible, how it would impact all customers in Hawai'i, whether it would fit into plans for the achievement of state energy policy goals and be in the public interest before legislation is passed to implement retail wheeling.

"For these reasons I stand in support of HB 2076, HD 1 with reservations. Thank you, Mr. Speaker."

Representative Ito rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I want to change my vote from a 'no' to a 'with reservations'. Thank you."

Representative Belatti rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations and a few comments. Mr. Speaker, I know we are in a time of transition and I think we have to move wisely. I know that people like to demonize the current utility, but I do want to point out something that resonates truly with me and the constituents who live in my district and who I represent.

"In their comment, HECO says, 'Allowing independent power producers to sell electricity directly to end users will likely benefit a few large-load customers at the expense of non-wheeling customers who may have to pay for all the cost of the current infrastructure while impeding the utilities' ability to pursue 100% renewable energy by 2045.'

"Mr. Speaker, much of my district residing in condominiums are those people who are non-wheeling customers and we will be left stranded on the grid. People need to move forward, the utility which sits at a better position to oversee our movement and our transition should not be hampered. We need the Public Utilities Commission to look out for all of our residents. Thank you, Mr. Speaker."

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

"Thank you, in support. I just want to make a couple points. One, this bill is, I'd actually like to insert the comments from the Representative from Ewa Beach as well," and the Chair "so ordered." (By reference only.)

Representative Lee continued, stating:

"I just want to build on that really, just making the point that this is about truly opening up what is currently a monopoly today. How do you get lower rates? You have competition. You have competitive pricing from different producers.

"This is a model that has been established and is working in states around the country, notably Texas, California and others. There it goes by a different name, virtual net metering, but it is the exact same policy, allowing a producer of power, a solar farm or whatever it might be, to be able to sell power directly to an end user.

"This is something that opens up the grid, particularly in urban places where you have no option, especially if you live in a condo where you don't have a rooftop, or you're a school, or whatever it is. To be able to buy competitively priced energy from different sources at your own will is what ultimately is changing the market, allowing customer choice and reducing costs.

"I'd like to point out further that, with respect to the issue I think that the utility raised in its testimony that all ratepayers would bear the cost of this, it's actually not true. Because what every program has done to date, and what the PUC would surely do because they have a mandate to look out for all ratepayers, is to do what is commonsense here.

"Anybody using the electric grid, if it is a utility-owned grid or run by a particular public entity, would pay a nominal cost to maintain that transit infrastructure. So they would buy the energy and pay a couple pennies in order to maintain that, so it's fairly appropriated and the cost is split between all ratepayers evenly.

"That is the bottom line for any of these programs, as they've been established anywhere else. It is something that I think is being used perhaps as a means to try and stop competition from taking root, and this is why specifically we're moving forward with this. Because I think the status quo is no longer viable, we do need to competitively price our power in a world where the market is already beginning to competitively price it. And if the utility wants, or anybody wants to participate in a fair way, it's got to be open to everybody. Thank you very much."

Representative Kawakami rose to disclose a potential conflict of interest, stating:

"Ruling on a potential conflict of interest. As a part of a co-op, I am a member-owner of our co-operative on Kauai," and the Chair ruled, "no conflict."

Representative Kawakami continued to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Reservations, simply because as a member-owner, that means that for our utility, I own part of the transmission lines, I own part of that production center. And so I would have serious hesitations and reservations with somebody that's not a member, not paying into the system, being able to use our transmission. Thank you."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. This will probably be my last time on this, but I want to balance a line by going in support with reservations. Because I think what you're seeing is a common thread insofar as while the goals may be well intentioned and ones that we all support, I think the concern being issue is that we're rushing so fast towards these goals that we're not taking the time to be meticulous.

"And the ramifications and unforeseen consequences could have a severe impact on communities like the good Representative from Moiliili. But those are the kinds of things, this is why I think the Members are concerned. I don't think it's to say we love HECO. It's not to say that we love monopoly. It's to say we need to go slower.

"Energy policy, somebody once said it yesterday, is very nuanced and complex subject. Heck, CPC, I can tell you, it is extremely nuanced and complex. So we need to go slow and not lose sight of the trees for the forest here, Mr. Speaker. And that's, I think, the concern. Let's give the PUC the resources to do their job, let's give them general direction, but let them work through these technical issues and let us also work through the technical issues of law that may cause unforeseen consequences.

"So, I think that's what the common thread is and that's why I'm going with reservations. Let's get to our goals in a methodical way, where nobody will get hurt. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I did not intend to speak, but I believe this is important enough of an issue and I wish to speak with reservations, strong reservations.

"In respect to the chairman who's been working very hard on this, is very progressive and I commend him for that, for the Chairman of EEP. However, I wish to incorporate the comments of the Representative from Lahaina, who said we need to proceed a little slower. I wish to incorporate the comments from the Representative of Makiki, as to the concern for those that don't have solar and they need to pick up the burden and those that can't afford to buy system and those that possibly live in condominiums.

"So, there is the haves and have nots in this situation, but I voted reservations because I think that we need to look for change as we go along, and the chairman is trying to arrive at that. But we should be very prudent as we move along and see that nobody gets hurt as we go into the next chapter in energy conservation. Thank you very much."

Representative Yamane rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, in light of the Speaker standing in reservations, I cast my reservations."

Representative Say rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2076, HD 2, 'Relating to Wheeling.'

"It's just like putting the cart before the horse. As the Public Utilities Commission has stated; it would be wise and appropriate to open an investigatory docket to explore the feasibility of retail wheeling in Hawaii 'prior' to establishing retail wheeling policies and requirements. It would allow for all stakeholders the opportunity to address any issue associated with retail wheeling in Hawaii and provide input regarding what the necessary policies and requirements for retail wheeling in Hawaii should be.

"Paniolo Power and Parker Ranch also suggested that having the Public Utilities Commission 'OPEN' a docket to address retail wheeling should be a prudent step in addressing this major public policy issue.

"Thank you very much."

Representative Har rose in support of the measure with reservations and asked that the remarks of Representative McKelvey be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Morikawa rose in support of the measure with reservations and asked that the remarks of Representative Kawakami be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

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

Representative Oshiro rose in support of the measure with reservations and asked that the remarks of Representatives Souki, Belatti, Har, McKelvey and Lee be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2076, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WHEELING," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Aquino, Belatti, Cullen, DeCoite, Har, Ito, Kawakami, Keohokalole, McKelvey, Morikawa, Onishi, Oshiro, San Buenaventura, Souki, Tokioka and Yamane voting aye with reservations, and with Representative Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 954-16) recommending that H.B. No. 2251, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2251, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 955-16) recommending that H.B. No. 2558, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2558, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Onishi rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations and a few comments. Mr. Speaker, I believe this is a noble effort, but instead of us charging every department an additional fee, if the Department of Land and Natural Resources is really interested in this program, the carbon offset program, then they should be coming to us at the Legislature and asking for an appropriation, and define the program that they want to implement.

"It makes no sense to me for us to be charging every department or every entity in the State of Hawaii, government entity, a fee for travel that they may have no control over, in terms of having to do. So, for example, coming from the Big Island, many departments and agencies, because they have to come to meetings, say on Oahu or any other neighbor island, they have to fly. They can't walk here, they can't drive here.

"So it doesn't make sense for us to be assessing every department a fee, when we should just take this as a whole program by the department and then just fund it from general funds. Thank you."

Representative Tupola rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. Similar concerns to my colleague from the Big Island. My concern is another layer of bureaucracy for a great program. I love trees, I think we should have more agriculture on the island. However, reaching every state department, every agency,

and we're not sure if these costs are going to be carried over to the actual employee, meaning that they might get charged for that travel, if the department can't cover it, we're not sure.

"So I think this is a noble effort, similar to what he said, however I think that if we could appropriate that money directly to a carbon offset program that directly impacts building more trees or forests, then it would benefit our state greatly. Thank you."

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

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

Representative Say rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2558, HD 1, 'Relating to the Environment.'

"It is creating a new chapter known as the 'State Employee Air Travel Carbon Offsets Program.' Every branch of government shall set up the program and report to the Department of Land and Natural Resources.

"The intent and concept is great, but the execution, administration and implementation will be difficult to achieve, since the bill has no appropriations for this program and the implementation date is 2030. It is for these reasons I oppose this measure.

"Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2558, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Matsumoto, Ohno, Onishi, Tupola and Ward voting aye with reservations, and with Representatives McDermott and Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 956-16) recommending that H.B. No. 2240, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2240, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY AT THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 957-16) recommending that H.B. No. 1613, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1613, HD 1, entitled: "A BILL FOR AN ACT RELATING TO POST-SECONDARY EDUCATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

At 11:37 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2727, HD 1
 H.B. No. 2607, HD 1
 H.B. No. 2076, HD 2
 H.B. No. 2251, HD 2
 H.B. No. 2558, HD 1
 H.B. No. 2240, HD 2

H.B. No. 1613, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 958-16) recommending that H.B. No. 1689, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1689, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1689, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes, with Representatives Jordan and Oshiro voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 959-16) recommending that H.B. No. 2042, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2042, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I want to commend the Chair of Water & Land for this bill. On the Big Island alone there's over 20,000 catchment tanks and this is how, for the foreseeable future, we will get our water. We need that to be constructed in a more safe manner, because at the present we are having outbreaks related to vector-borne disease from mosquitoes, and we need to help figure out how to design these tanks to be safe and yet provide water to our communities. So I thank him for that effort."

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

"I also stand in support, and I do thank the Representative from Water & Land for introducing this bill. I would also like to encourage, however, the conference committee members to consider adding in a requirement that it be covered water attachments, because we have found that in certain areas in south Kona the uncovered water attachments have been mosquito breeding grounds for the Aedes aegypti mosquitos, which has harmed us with dengue fever and possibly Zika. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2042, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WATER CONSERVATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 960-16) recommending that H.B. No. 2570, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2570, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

Representative Say rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2570, HD 2, 'Relating to Energy Modernization.'

"This measure defines the term 'microgrid' and exempts persons who own, control, operate, or manage microgrids under 25 kw in size from regulation as a public utility under Section 269.1 Hawaii Revised Statutes. This measure also would prohibit any political subdivision of the State from requiring that a building that is served by a microgrid be connected to another source of electrical power.

"The language of this measure may encourage the development of microgrids that would operate as stand-alone grids, which would preclude many of the benefits that microgrids can provide. Oversight and consumer protection issues may arise for persons served or affected by microgrids exempt from Commission regulation. As an example, it is unclear how important minimum standards for interconnection or reliability would be established for microgrids exempt from Commission regulation.

"I oppose this measure for the above reasons. *Mahalo.*"

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

Representative Belatti's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations to House Bill 2570, House Draft 2. The purported purpose of this bill 'is to encourage and facilitate the deployment of microgrids in the State in such a manner as to expand access to locally generated renewable energy and advanced distributed energy resources and to promote the efficient distribution of electricity to the State's residents and businesses.' However, as pointed out in the testimony of Public Utilities Chair Randall Iwase, the language of the House Bill 2570, House Draft 2 'may encourage the development of microgrids that would operate as stand-alone grids, which would preclude many of the benefits that microgrids can provide.' Further, the measure is also 'unclear how important minimum standards for interconnection or reliability would be established for microgrids exempt from Commission regulation.'

"As discussed previously on House Bill 2076, House Draft 2, many of the concerns raised about retail wheeling (ie. where few large-load customers would likely benefit at the expense of non-wheeling residential customers who would then likely be stuck with paying for all of the cost of current infrastructure) could come to fruition with passage of measures like House Bill 2570, House Draft 2. As stand-alone microgrids are developed by those who can afford and can physically build out microgrids, those remaining on the grid—like many of the residents in the urban communities of Makiki, McCully, and Moiliili, who will not be able to develop microgrids—will be left with the greater burden and higher costs of maintaining existing and aging infrastructure.

"For these reasons, I stand with reservations and I urge my colleagues to consider legislation that allows the Public Utilities Commission to be able to conduct its job of investigating, regulating and adopting the appropriate policies to ensure service reliability and lower energy costs that benefit all customers."

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

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, I support the development of microgrids as an option to meet the energy needs of customers as has been articulated in the Public Utilities Commission's (PUC) white paper entitled, Commission's Inclinations on the Future of Hawaii's Electric Utilities. However, I am concerned that the language in this legislation may not maximize the benefits of microgrids to the public in the long term. Additionally, it is unclear whether oversight or consumer protection issues may arise for

persons served by a microgrid as well as for persons who are not served by a microgrid but may be affected by its operations. For example, it is unclear how interconnection standards or reliability standards for microgrids should be established, both of which protect wide-spread public interests, especially if the microgrid were interconnected with a public utility's electrical system.

"Ultimately, the definitions and requirements of this measure may encourage the development of microgrids that would operate as stand-alone grids. This outcome would preclude many of the benefits that microgrids can provide. Mr. Speaker, the PUC has opened a docket on microgrids and these dockets require time to be studied. Putting this measure in statute and forcing the PUC to do microgrids just strips their ability to review each microgrid application as they come up. Therefore, Mr. Speaker, I believe that this body should introduce guiding principles or standards for the PUC to follow in the review of any microgrid projects that come before the PUC in the future."

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

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

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

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

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

"Thank you, Mr. Speaker. In support. I just want to point out, this bill basically is the vehicle that would allow microgrids to proceed throughout the State, basically taking an islanded neighborhood, or university, or school, or what have you, and being able to generate their own power and share it amongst themselves. And that's done specifically because it's generally more cheap to do that way.

"On top of that, you have multiple efforts underway, particularly on the Big Island where you have Paniolo Power, which is the subsidiary of Parker Ranch, looking at doing something in their area for their town of Waimea there.

"And they've already figured out that right now, HELCO's power is at such a rate that they are able to actually build an entire new network, poles, wires, the whole entire transmission grid in their area, cheaper than it is to continue service with HELCO. And so what they want to do, and they are forging a deal right now to work on this, is to be able to actually go ahead and do that, partner with the utility, if they can leverage them to actually participate, so that Parker Ranch can generate its own power, provide cheaper power to Waimea, and at the same time also provide benefits to everybody else on the Big Island on the entire grid. Willingly just giving that because they have the capacity to, because they can generate power so much more cheaply, so everybody on the Big Island wins under this sort of scenario.

"A different type of microgrid, looking at Oahu or some of the other islands, Maui is on a much smaller scale, where you have a school, or a small apartment building, or whatever it might be that could be able to take advantage of the same kind of set up, where they can generate their own power and share it amongst themselves. And if they need to be able to detach from the grid for an emergency situation where the power is down, or you have a hospital, or in this case we're looking at schools in the event of a hurricane that can detach and completely power themselves so that they can serve as disaster shelters and provide power to everybody in emergency responders when necessary. This is the kind of concept that this allows.

"And so, I'd just like to point out those couple facts and I will leave it at that. Thank you."

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

Representative DeCoite's written remarks are as follows:

"Molokai and Lanai do not like windmills, and this has the potential to open that up on our islands."

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

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

"In support. Just very quickly, in my district there is one business that is installing an over \$9 million PV project on its facilities, this is a brewing company on Maui. This bill will allow this particular business to become a microgrid for the whole tech park on Maui. It's been very difficult so far for him to achieve that, given certain bureaucratic and regulatory mechanisms that MECO has been imposing on this business. Thank you."

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

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

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I stand with reservations on this measure. Here on Kauai, our utility is a member-owned cooperative. As a ratepayer, I own the generation, transmission and distribution of our utility. This measure would potentially raise the cost for our members and furthermore it takes away from home rule by prohibiting counties from being connected to an otherwise available source of power. Mr. Speaker, what happens when a microgrid goes down and perhaps residents of the building being served can't get power. Perhaps a child or *kupuna* that needs a nebulizer to treat their asthma may be put at risk. Mr. Speaker, this is a matter of public health and safety, and for these reasons I have serious reservations."

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

"Thank you, Mr. Speaker. We're in the time where our energy policy is evolving quickly, rapidly, and hopefully productively. I just want to commend the Chair of Energy for having the courage to propose a lot of these things that may not be popular initially, may not be popular in the long run. But he is having the courage to push the envelope, and I really thank him for that."

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

"Mr. Speaker, in support, brief comment. Mr. Speaker, the trend line is that the microgrid is the grid of the future. I think we have to realize the inevitability of that. In effect, we're going to make consumers into producers. The microgrid is one step into that, but the ultimate is that we are all going to be off the grid or our own producers instead of consumers."

"We'll have the grid as a backup, the same way that I think some of our districts are related to gas lines, but we don't have to pin upon this, as I use the analogy, the IBM main frame versus the PC. People who are hanging onto the main frame are going to lose it. The PC, the microgrids, those who have solar on their roof, batteries under their house, is the trend for the future. It's because we are blessed with sun, and solar and microgrids is the inevitable future. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2570, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY MODERNIZATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Belatti, DeCoite, Kawakami, Keohokalole, McKelvey, Morikawa, Oshiro, San Buenaventura, Tokioka and Yamashita voting aye with reservations, and with Representatives Har and Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 961-16) recommending that H.B. No. 1874, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1874, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Strong support, written comments."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, in strong support. Mr. Speaker, our emergency service ambulance units have not been updated since 1992. During that time our population grew from under 55,000 to over 70,000. Additionally, 1 out of every 4 people are visitors which grows our daily population to about 94,000. Mr. Speaker, in 2014 41% of emergency calls on the north shore exceeded the minimum standard of response time. In 2015 that number was 31%. That means, over the last two years, 31 to 41 out of 100 people are left waiting for emergency service. It is long overdue that Kauai's system be upgraded."

Representative Tokioka rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tokioka's written remarks are as follows:

"Thank you to the Chair of Finance, Representative Sylvia Luke, for hearing this bill. Kauai has not had an additional emergency medical service appropriation since the early '90s. Adding appropriations for rapid response emergency medical services units to include personnel, equipment, and operational expenses will certainly help save lives for the people of Kauai."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1874, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EMERGENCY MEDICAL SERVICES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 962-16) recommending that H.B. No. 2717, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2717, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. I requested comments on February 19th, 2016. May I have those submitted for today's comments as well? Thank you," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker and Members, I wish to speak very strongly in favor of this item here. As you know, I had a bill that provided for penalties to doctors who do not provide Medicaid care and services to Medicaid patients and to patients of Medicare.

"And it's going on right now. The doctors, many, many doctors are not serving Medicare and Medicaid patients. And the argument they use is that the reimbursements are too low. Both on the federal level, which includes Medicare, and on the state level that includes Medicaid.

"So we share in the blame for a lot of the patients on Medicaid and Medicare who are not getting care right now. And just think about it, especially in Medicare, it's the older people that they only have Medicare and doctors are refusing to service them.

"Now I met with a bunch of doctors and many of them said yes, I am not providing any assistance to Medicare, because the reporting is too much and the reimbursements are too low. So then the question to them is, what about the patient? Are you going to let the patient die? And that's going to be the result. Let's face it.

"Medicaid patients cannot get assistance, they are going to get more ill, they're going to end up in the emergency room, the cost of course is going higher, and ultimately it's going to be to their end. So we have a responsibility, not only us, the Congress has that too, to raise the Medicare.

"But we can at least raise the Medicaid with the cost of living increase. It's hard for us to tell a doctor, well you've got to provide the service, when we don't increase the Medicaid increase. Right now, they have only a 1% increase cost of living. You know it's more than 1% per year. It doesn't make any sense at all.

"So let's change this. Let's have some compassion for those people out there that are not getting any care. That's all, Mr. Chair. Thank you."

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

"Mr. Speaker, I rise in strong support of this measure. First, may I have the words of the Speaker as my very own," and the Chair "so ordered." (By reference only.)

Representative Oshiro continued, stating:

"I have a hospital in Wahiawa, Wahiawa General Hospital, and our patient load with Medicaid, Medicare patients is about 85%. We really service a large area, about 60,000 people from Mililani out to Kaena Point to Turtle Bay, but our apparent mix is at 85% Medicaid and Medicare. So, this measure could really help us in our bottom line. Thank you."

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

"Thank you, Mr. Speaker. Strong support, and I'd like to incorporate the words of the Speaker as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, strong support. I would like the words of the Speaker from Wailuku entered into the record as if they were my own," and the Chair "so ordered." (By reference only.)

Representative McKelvey continued, stating:

"Quick comment, dovetailing with the theme, this is a very proactive, solid way to address the problem of Medicaid patients being seen. More needs to be done on the federal government, so I am going to say this now while I have the stage to bring up the one thing I bring up over and over and over again. We have to get an Alaska-style exemption, Mr. Speaker, like they did, from the rural rates, which is really hammering our ability to increase the payments and get more patients seen. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2717, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL ASSISTANCE," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 963-16) recommending that H.B. No. 2188, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2188, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Onishi rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with slight reservations. The Hawaii Correctional Industries is doing a great job in helping our inmates with training and skill development. My concern is that opening up the products that they create, whether it is agricultural or woodworking products and things of that nature, to the general public for consumption, it's going to create the possibility, and we saw this on the Big Island, where they are able to produce stuff at a much lower cost, which then affects the private industry suppliers and businesses.

"My reservation is, I think that the Hawaii Correctional Industries needs to be a little bit cautious in terms of looking at those types of products that they are going to be producing and how it affects the competitive private market. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2188, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAII CORRECTIONAL INDUSTRIES," passed Third Reading by a vote of 51 ayes, with Representative Onishi voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 964-16) recommending that H.B. No. 1228, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1228, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TEACHER LEADERS," passed Third Reading by a vote of 51 ayes.

At 11:53 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1689, HD 2
H.B. No. 2042, HD 2
H.B. No. 2570, HD 2
H.B. No. 1874, HD 1
H.B. No. 2717, HD 1
H.B. No. 2188, HD 2
H.B. No. 1228, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 965-16) recommending that H.B. No. 2313, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2313, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, please note my reservations. Permission to enter comments into the Journal but just a few comments here. This is our retirement system and this is for when we can't find an individual. Meaning, the State cannot find the payee that we now need to pay out their check to.

"And this is mostly in regards to a restriction that to reach 70 1/2, the pension fund is required to start paying it out to the employee under federal laws. And if we cannot find that employee because we don't have their current address or we mail something out to them and it gets returned back to us, then maybe our ERS system should get better at their address system.

"We've created an unclaimed property out there in this universe where that is your money, no matter what. If our system can't find you, then that check needs to go to that unclaimed property until such time somebody comes forward to claim it or that person is found. It shouldn't remain in the fund.

"Now, I know why the department wants to leave it in the fund, for the benefit of all. But we need to understand whose money that is. Is it for the benefit of all to leave it in there and help our unfunded liability? Or is it to issue that check out to that individual and let it go to the Unclaimed Property division? That's what this is all about, that's what my reservations are about.

"And we need to get better at keeping track of people's addresses and how do we get in touch with them. That has plagued us throughout our different departments, and you'll see another measure today asking for an extension of time, because our departments can't get it together to keep track of individuals and where they live. Thank you, Mr. Speaker."

Representative Jordan's written remarks are as follows:

"My first question is, why? Is it to ease the ERS's administrative burdens of complying with the Uniform Unclaimed Property Act? My second question is, if the current system is working why would you change? Without a clear reason for this bill, I must vote with reservations. The money collected and held in trust for the retired employee belongs to that employee, and if the ERS cannot locate an employee for payment then the Uniform Unclaimed Property Act commences and the process needs to be followed, those payments belong to the retiree and should be held under unclaimed property until such time as the retiree or designee is located for payment. If it is a problem of retiree records not having updated point of contact or addresses, then the ERS administrative system needs to address that problem not just hold retiree monies."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2313, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 966-16) recommending that H.B. No. 2353, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2353, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you. In support with reservations. I just wanted to make a few brief comments. And I do believe that we need exempt positions within the state government and we need that flexibility. But my reservations stem largely from the fact that at times we pursue a piecemeal approach, and that's pursued actually by every administration since this administration bill.

"There's a more complex systemic problem that sometimes these piecemeal approaches fail to address. We often create contradictory mandates for DHRD. Typically we ask them to convert exempt employees to civil service while also passing measures that increase the number of exemptions. They don't recruit when we have so many vacancies, and there's routine use of 89-day short-term hires that become long-term almost permanent positions.

"These contradictory trends suggest that we need to be pursuing a far more systemic and comprehensive approach to the way we do human capital and human resources in this state. And it is for those reasons, because I think at some level, even though I agree with some of the positions specifically mentioned in this bill, that I think rather than continuing to pursue a piecemeal approach, we need to actually do something far more comprehensive and systemic. Thank you."

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Please note my reservations on this particular measure. When we look across our board, although this is talking about certain positions and

certain departments. When we look across our board in exempt positions, some of our departments have a 100% exemption, where some are really, really good down to 1% of their whole populace is exempt.

"But if you average that out, we have about 13% of exempt positions across our whole system. When we look at, we'll take and we'll pick on, we've been picking on them for a while. In the Attorney General's, 39%. Defense, 54%. Governor, 100%. Department of Taxation only 8%. Public Safety, 3%. So we really need to start getting a better handle of exempt positions.

"Although this is a measure coming from the Executive Branch, we should be really mindful of where we're going with these requests. Thank you very much, Mr. Speaker."

Representative Onishi rose in support of the measure with reservations and asked that the remarks of Representatives Johanson and Jordan be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2353, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EXEMPTIONS FROM CIVIL SERVICE," passed Third Reading by a vote of 51 ayes, with Representatives Johanson, Jordan and Onishi voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 967-16) recommending that H.B. No. 2715, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2715, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, this used to be called the kill HEMIC bill. It has the DNA of the state bank, and now it's only a study, which is good. My only fear is that the spirit of kill HEMIC bill may metastasize into the study and they may come up with saying, we should go back to making a state workers' compensation company run for and by the government, which would be the last thing, Mr. Speaker.

"I think we all know the saying, if it ain't broke, don't fix it. If it ain't broke, why study it. And that's what this bill does. Useless. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2715, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Cachola voting aye with reservations, and with Representative Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 968-16) recommending that H.B. No. 2277, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2277, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KING KAMEHAMEHA CELEBRATION COMMISSION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented two reports:

(Stand. Com. Rep. No. 969-16) recommending that H.B. No. 2408, HD 2 pass Third Reading; and

(Stand. Com. Rep. No. 970-16) recommending that H.B. No. 2407, HD 2 pass Third Reading.

Representative Saiki moved that the reports of the Committee be adopted, and that H.B. No. 2408, HD 2; and H.B. No. 2407, HD 2 pass Third Reading, seconded by Representative Evans.

Representative McKelvey rose to speak in support of both measures with reservations, stating:

"Thank you, Mr. Speaker. Actually, just to bundle it all up, I'd like to go with reservations on this and the next measure, and like to explain why very briefly, if I may. There are three things about this bill that trouble me, why I'm flagging it with reservations.

"First off, it's taking away the approval of the Board of Land and Natural Resources when it comes to the disposition of lands which may be ceded. That, of course, effects the revenue of the beneficiaries.

"Second issue that I am concerned with is that they basically are exempted from any public auction or public tender notification requirements. That's very bothersome when you have some very small tenants, and our airports will be disadvantaged by not seeing who is truly bidding and what.

"And then the third thing that worries me is, I've heard about this bill already this summer, Mr. Speaker, because many from the general aviation, commuter aviation community came to me because this was a concern that there was a plan afoot to dispose of lands to which they are located by selling them out. And therefore they would either have to move completely or find other operations elsewhere.

"There are lot of ramifications of this measure. I support it going forward, but I am going with reservations because of these issues. Thank you very much."

Representative DeCoite rose in support of Stand. Com. Rep. No. 969-16 with reservations and asked that the remarks of Representative McKelvey be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Jordan rose to speak in opposition to Stand. Com. Rep. No. 969-16, stating:

"Thank you, Mr. Speaker. In opposition. I'd like to thank the Representative from the west side of Maui, particularly Lahaina, for his kind words. And please submit them into the Journal as if they were my own. But I would also like to reserve my comments and place them into the Journal. Thank you," and the Chair "so ordered." (By reference only.)

Representative Jordan's written remarks on Stand. Com. Rep. No. 969-16 are as follows:

"I stand in opposition to HB 2408, HD 2, which authorizes the Department of Transportation to issue revocable permits without approval of the BLNR. As a condition of statehood, the State is mandated to hold the lands and income therefrom as a public trust. To uphold this trust responsibility, requiring BLNR approval for any dispositions longer than 14 days as currently provided for by law is the appropriate mechanism. As the Chairperson of DLNR noted in her testimony, 'the State has limited land resources, and decisions affecting these lands are intended to be made in the open and subject to public testimony,' which 'provides a transparent public process for important decision-making by DOT.'"

Representative San Buenaventura rose to speak in support of both measures with reservations, stating:

"With reservations for this bill as well as for the next one. It troubles me, Mr. Speaker, that the Department of Transportation in its testimony did not really say why they needed this. They just said something to the effect, well, it was given to us before and then we just didn't use it. They didn't say why they should no longer be subject to public review.

"Frankly I suspect, like the Representative of Lahaina has stated, because somebody, one of my constituents, is saying that one of the permits that's up for review involves Hilo Airport. And the Board of Land

and Natural Resources had given a conditional permit to one of the requests.

"I suspect that this is Department of Transportation's way to side-step that permitting public review. Especially where they have not given any reason in any of their testimony why they should no longer be subject to public review. Thank you."

Representative Tupola rose to speak in opposition to both measures, stating:

"Thank you, Mr. Speaker. I rise in opposition for this one as well as 970-16. I'll keep it short. Similar concerns. I also have an airport in my area, Kalaeha Airport. There has been a lot of turmoil going on there as well. One of these deals with that.

"However, bypassing the BLNR who hasn't always made the best decisions about the use of land, regardless, the public hearings, the actual discussion of the use of public lands, similar to what my colleague from Puna said, those need to be public so we know why and what's going on, because the lands that we have here in the State of Hawaii are finite.

"And so we need to be sure that we know what we're doing with it, that the public gets to weigh in. And especially when people are affected by this, who are just going to get pushed out without knowing. So, for those reasons I stand in opposition to both bills. Thank you."

Representative Keohokalole rose in support of both measures with reservations and asked that the remarks of Representative McKelvey be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Pouha rose in support of both measures with reservations and asked that the remarks of Representative McKelvey be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Morikawa rose in support of both measures with reservations and asked that the remarks of Representative McKelvey be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Aquino rose to speak in support of Stand. Com. Rep. No. 969-16, stating:

"Thank you very much, Mr. Speaker. In support. This bill seeks to clarify DOT's authority under Chapter 171, which provides that departments that have public land set aside to them by the Governor through executive orders for the department's purposes are already empowered to exercise the powers of the Board of Land and Natural Resources.

"In 1993, the board had delegated to DOT the authority to issue revocable permits for the public land set aside to it through executive orders under Chapter 171. However, a subsequent AG opinion letter held that such delegation was not proper, because the board can only delegate to its employees. However, the opinion letter failed to recognize that in actual practice the board delegates many of its functions to the departments. For example, the board is authorized under Chapter 171 to procure and select appraisers and negotiate land disposition rents, which is actually done by departments.

"The discrepancy between law and actual practice warrants clarification and further discussion. Either the current practice of delegating these tasks are unlawful and the board must be responsible for the procurement of all appraisal statewide, or the current practice needs to be properly reflected in law. Thank you."

Representative Yamane rose to speak in support of both measures, stating:

"Mr. Speaker, standing in support. Mr. Speaker, I wanted to clarify on both measures the value and the importance of these two measures. Some Members have questioned the need for this. Members, these measures

address the difficulty that the Department of Transportation is having in solidifying short-term contracts, both at the harbors and at the airports.

"Mr. Speaker, without these measures, concessionaires, those that are impacted, those that service all of our airports as well as our maritime ports, are negatively impacted because contracts cannot be signed in a timely manner.

"People are not willing to negotiate in good faith, because when the permits actually have to get reviewed by BLNR, additional conditions get thrown out or put onto these contracts, which then make it difficult for due diligence negotiation as the contracts move forward.

"So, Mr. Speaker, Department of Transportation has made this request not only to ensure that they can fulfill the U.S. Federal Aviation administration requirements, but also the requirements to meet the U.S. Coastguard requirements on harbors. So, Mr. Speaker, in support."

Representative Cullen rose in support of Stand. Com. Rep. No. 969-16 and asked that the remarks of Representatives Aquino and Yamane be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Jordan rose to speak in opposition to Stand. Com. Rep. No. 970-16, stating:

"Thank you, Mr. Speaker. I was kind of confused there, I didn't realize we took the measures together. On Stand. Com. 970, opposition, permission to submit comments into the Journal. Listening to the comments on the floor today, which I really appreciate because we didn't hear this on the second reading of these two measures, it's all driving towards a bigger conversation that really needs to be had. And it's been stuck somewhere in some big back room. And it really deals with public trust lands, revenues and airports. And that's what we really should have this discussion on, and not keep changing statutes and rules, even if they are not aligning with each other, or correct for today's needs.

"We ought to take the 30,000, look at what we're doing here and what is our requirement under the constitution before we start changing the small rules when we haven't really addressed the larger picture, Mr. Speaker. And I think that's what I was standing on second reading and that's why I've moved my position from the original reservations to the noes now, to really start making that statement, when are these conversations going to happen. Thank you, Mr. Speaker."

Representative Jordan's written remarks on Stand. Com. Rep. No. 970-16 are as follows:

"I stand in opposition to HB 2407, HD 2, which allows the Department of Transportation to negotiate the disposition of lands under its jurisdiction and control without the approval of the BLNR. As a condition of statehood, the State is mandated to hold the lands and income therefrom as a public trust. To uphold this trust responsibility, requiring BLNR approval for any dispositions longer than 14 days as currently provided for by law is the appropriate mechanism. As the Chairperson of DLNR noted in her testimony, 'the State has limited land resources, and decisions affecting these lands are intended to be made in the open and subject to public testimony,' which 'provides a transparent public process for important decision-making.'"

Representative DeCoite rose in support of Stand. Com. Rep. No. 970-16 with reservations and asked that the remarks of Representative McKelvey be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.B. No. 2408, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LAND DISPOSITIONS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives DeCoite, Keohokalole, McKelvey, Morikawa, Pouha and San Buenaventura voting aye with reservations, and with Representatives Jordan, Thielen and Tupola voting no; and

H.B. No. 2407, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LAND DISPOSITIONS," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives DeCoite, Keohokalole, McKelvey, Morikawa, Pouha, and San Buenaventura voting aye with reservations, and with Representatives Jordan, Thielen and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 971-16) recommending that H.B. No. 2086, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2086, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 51 ayes.

At 12:11 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2313, HD 1
H.B. No. 2353, HD 2
H.B. No. 2715, HD 2
H.B. No. 2277, HD 1
H.B. No. 2408, HD 2
H.B. No. 2407, HD 2
H.B. No. 2086, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 972-16) recommending that H.B. No. 2090, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2090, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LAND COURT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 973-16) recommending that H.B. No. 1029, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1029, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENDANGERED SPECIES RECOVERY COMMITTEE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 974-16) recommending that H.B. No. 1847, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1847, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SPORTS AND ENTERTAINMENT AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 975-16) recommending that H.B. No. 2033, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2033, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMISSION ON WATER RESOURCE MANAGEMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 976-16) recommending that H.B. No. 2618, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2618, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative Onishi rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with slight reservations. I have a concern because of the removal of renovations, and I realize that we are seeking some definition of the type of renovation projects that the fee would apply to, but at this point I do have reservations because renovations are just taken out of the bill. Thank you."

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

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, I rise to express reservations regarding House Bill 2618 which would delete appropriations for capital renovations as a source of funds for the Works of Art Special Fund. I am a firm believer that there is a place for the arts in all things. This includes public buildings, and the ability to incorporate art into renovation projects encourages the proliferation of art in public spaces. Removing this component from the scope of the Works of Art Special Fund may compromise the ability to bond fund renovation projects that incorporate art, possibly undermining the original intent of the fund. It may also compromise the status of arts funding at the Department of Education where arts education is needed the most to make impressions on young minds. While this bill has been heard to address a perceived issue, I feel that unintended consequences may ensue as a result. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2618, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKS OF ART SPECIAL FUND," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives LoPresti, Onishi and Tupola voting aye with reservations, and with Representative Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 977-16) recommending that H.B. No. 1046, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1046, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative DeCoite's written remarks are as follows:

"With reservations. I do not feel that a person should be wrongfully put in jail. My concern is that the State needs to make sure he or she does his job in defending those that are wrongfully imprisoned to the best of their ability. Who pays the compensation? Taxpayers. Who pays the public defender? Taxpayers."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1046, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WRONGFUL IMPRISONMENT," passed Third Reading by a vote of 51 ayes, with Representative DeCoite voting aye with reservations.

At 12:15 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2090, HD 2
H.B. No. 1029, HD 1
H.B. No. 1847, HD 2
H.B. No. 2033, HD 1
H.B. No. 2618, HD 2

H.B. No. 1046, HD 2

Representative Saiki rose, stating:

"Mr. Speaker, could we take a recess until 1:00 p.m.? Thank you."

At 12:15 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:13 o'clock p.m.

ANNOUNCEMENTS

At this time, the Chair stated:

"I just want to remind Members that the Senate has already adjourned for the day."

Representative Choy rose, stating:

"I'd like to stand on a point of personal privilege, Mr. Speaker. Today is Representative Ichiyama's 85th birthday. Not 85th, 30th birthday, so could we all wish her a happy birthday? Thank you, Mr. Speaker."

Representative Evans rose, stating:

"Mr. Speaker, personal privilege. I also want to point out, although he is not here, but Representative Cachola, it's his birthday too."

UNFINISHED BUSINESS

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 978-16) recommending that H.B. No. 1902, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1902, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SEX TRAFFICKING," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 979-16) recommending that H.B. No. 2156, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2156, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Reservations on this particular measure. My reservations mainly are for section 1 of this measure. I think section 2 is awesome, I believe we should be giving Campaign Spending some general funds for operational purposes and maybe to help those trust funds that have been depleted over public financing of campaigns.

"But I have some serious concerns with section 1 on this at this point in time. May I have permission to submit comments into the Journal? Thank you very much."

Representative Jordan's written remarks are as follows:

"I'm in full support of funding the Campaign Spending Commission's operating expenses with general fund dollars to help keep the commission fully functioning. I have reservations in allowing candidate committees to donate maximum allowable contributions to other candidate committees and prefer to continue the limited requirement of two tickets per each event.

"If a donation is given to a particular candidate, that donation should be used by that candidate and only that candidate. It is not appropriate for the candidate to turn around and donate the maximum allowable amount to another candidate seeking public office. PACs (Political Action Committees) currently have the ability to donate the maximum to a candidate without ticket restrictions. The process should remain as it is.

"I also have reservations with allowing candidate committees to expend twice the maximum amount that a candidate may receive as a contribution during the election period for ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an office. Candidate committees should be more transparent and accountable with contributions they receive from donors that have put faith and belief into the candidate."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2156, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE," passed Third Reading by a vote of 47 ayes to 4 noes, with Representative Jordan voting aye with reservations, and with Representatives Har, Oshiro, Say and Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 980-16) recommending that H.B. No. 2560, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2560, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CORPORATIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 981-16) recommending that H.B. No. 1559, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1559, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROPERTY FORFEITURE," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Kawakami voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 982-16) recommending that H.B. No. 1556, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1556, HD 1 pass Third Reading, seconded by Representative Evans.

Representative LoPresti rose to disclose a potential conflict of interest, stating:

"Ruling on a potential conflict. I am a professor, I taught at UH before, it's possible I could teach there again," and the Chair ruled, "no conflict."

Representative LoPresti continued to speak in support of the measure, stating:

"Thank you. With that, I'll speak in support. I just think we should discourage anyone from practicing employment discrimination. I don't think employment discrimination in any form should exist. Thank you."

Representative Choy rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Choy's written remarks are as follows:

"Mr. Speaker, I stand in strong support of HB 1556, HD 1.

"This bill prohibits the University of Hawaii from promulgating discriminatory employment policies against elected officials, including, but not limited to, neighborhood board members, city council members and legislators. The prohibition on employing elected officials is nowhere

in statute, but has been established in University policy. The contention that these employment relationships have inherent 'conflicts of interest' has never been tested. Prior court decisions in this area merely focused on compliance with and adherence to policy established by various executive agencies and did not address the validity of the policy itself.

"The Attorney General's testimony in opposition to this bill is not supported by applicable law. The Attorney General incorrectly argues that this bill is contrary to the 'doctrine of incompatible public offices'. Unfortunately, the Attorney General fails to address the difference between a public office and public employment. The doctrine of incompatible public offices only applies when an individual would hold two public offices. If it is determined that one of the positions under review is not a public office, the doctrine of incompatible offices does not apply and a person may hold the positions simultaneously.

"Moreover, the Attorney General also disregards prior Attorney General Opinion 66-20, which found that 'a professor at the University of Hawaii does not occupy a public office.' It is obvious that the objections to this bill are not supported by law.

"Finally, current University policy prohibiting employment of elected officials has a very detrimental effect on future employment policy. For example, under current policy, a member of the executive branch is permitted to work at the University. This policy unfairly discriminates against elected officials in the legislative branch of government, with no reasonable justification.

"For the foregoing reasons, I stand in strong support of this anti-discrimination measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1556, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 983-16) recommending that H.B. No. 1909, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1909, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Strong support. I just wanted to recognize, Mr. Speaker, that today, March 8th, is International Women's Day. And I can't think of a more fitting day to pass an equal pay law for women. In addition to that, I'd like to enter comments into the Journal. Thank you."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, today, March 8th, is International Women's Day. It is no more an appropriate time that the House considers this bill which would further advance fair pay and treatment for women. On March 8, 1914, International Women's Day was celebrated in order to bring awareness to the efforts of working women. Since then, women across the globe have been making great strides towards parity in the workplace and throughout society. However, there is still much to be done. The great strides we have taken in civil rights and social justice have not been made easily and have been met with much resistance. That is why it is important for a legislative body such as this House of Representatives to encode laws that make gender discrimination, and all discrimination, less possible. Thank you."

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

"In support. Mr. Speaker, I just read today that it will take 70 years until women are paid the same as men in our nation. That's pretty sad. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1909, HD 1, entitled: "A BILL

FOR AN ACT RELATING TO EQUAL PAY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 984-16) recommending that H.B. No. 2362, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2362, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII WORKFORCE DEVELOPMENT COUNCIL," passed Third Reading by a vote of 51 ayes.

At 1:20 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1902, HD 2
H.B. No. 2156, HD 2
H.B. No. 2560, HD 2
H.B. No. 1559, HD 2
H.B. No. 1556, HD 1
H.B. No. 1909, HD 1
H.B. No. 2362, HD 2

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 985-16) recommending that H.B. No. 1541, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1541, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Har rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. May I request a ruling on a potential conflict? I am a member of a planned community association. Thank you," and the Chair ruled, "no conflict."

Representative Cullen rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, same request. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1541, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 986-16) recommending that H.B. No. 1013, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1013, HD 3 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in strong support. Mr. Speaker, this is the experimental try it drug bill, and I want to thank my former Peace Corps colleague, the good doctor from the Big Island, for introducing this. Mr. Speaker, this bill will save lives. This bill will possibly create breakthroughs. And for those who suspected that it was a backdoor root to assisted suicide, it's no such animal.

"The point is, Mr. Speaker, we as well as doctors have the Hippocratic Oath to extend and make life healthier and longer. I just think that it's one whose time has come and it's one that the FDA gives a narrow margin of opportunity for, and I'm really happy to have my fingerprints on this one a few years ago also. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in strong support of this bill. This bill will allow a relatively small number of people to receive treatment that might be lifesaving. These are patients in extremis, patients who would otherwise die, and these lifesaving treatments right now are not available to them because of various bureaucratic barriers. So I think this is going to help some people and I hope it will. And I would like the words of my friend from Hawaii Kai to also be recorded as my own. Thank you," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1013, HD 3, entitled: "A BILL FOR AN ACT RELATING TO EXPERIMENTAL TREATMENTS," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 987-16) recommending that H.B. No. 2378, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2378, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FOREST RESERVES VIOLATIONS," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 988-16) recommending that H.B. No. 1907, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1907, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 989-16) recommending that H.B. No. 2329 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2329, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 990-16) recommending that H.B. No. 2340, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2340, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORDS CHECKS UNDER THE CHILD PROTECTIVE ACT," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 991-16) recommending that H.B. No. 1747, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1747, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," passed Third Reading by a vote of 51 ayes.

At 1:23 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1541, HD 1
H.B. No. 1013, HD 3
H.B. No. 2378, HD 2
H.B. No. 1907, HD 2
H.B. No. 2329
H.B. No. 2340, HD 1
H.B. No. 1747, HD 1

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 992-16) recommending that H.B. No. 2343, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2343, HD 2, entitled: "A BILL FOR AN ACT RELATING TO REQUIREMENTS FOR CHILD CARE PROVIDERS," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 993-16) recommending that H.B. No. 2740, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2740, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I am standing in strong, strong support of this. If I may, may I have my remarks entered into the Journal? Thank you."

Representative Thielen's written remarks are as follows:

"It's risky business. Postponing health-related procedures to save money may be hazardous to your life. Three months ago, HMSA pulled the plug on doctors by revoking their earned 'gold cards' that allowed them preapproval to order medical tests without delay.

"These are the same physicians and specialists who in 2011 received written notice from HMSA that said:

"Your record of precertification requests validates that you consistently utilize and apply appropriate clinical criteria when ordering advanced imaging. Therefore you will be waived from precertification for MRI, MRA, CT, CTA ... scans." The letter is signed by HMSA's Vice President/Medical Director, Dr. William Osheroff.

"The time-sensitive imaging tests include magnetic resonance imaging, nuclear cardiology stress tests, computerized tomography scans and stress echocardiograms. HMSA granted the red tape-waiving ability for the righteous sake of delivering the best possible patient care. That was then.

"This is now. Since the 'gold cards' were yanked from these doctors, who are among some 1,600 active physicians in HMSA's network, the results show:

- delays in patient care that could lead to death
- specialists stopped from delivering their full scope of professional assessments and expertise without waiting until patients are in the hospital, urgent care or emergency room
- opening the door to lawsuits stemming from cost-containment efforts for which legal precedence was set in the patient's favor in at least one Blue Cross case

"One surgeon at a medical center on Oahu has more than 30 years' professional experience and is highly sought after for her life-saving abilities. After her 'gold card' was terminated, denials for her patients' testing orders tripled from about five while she had her 'gold card' to about 15 at any given time.

"She has always complied with HMSA's requests to submit records for ongoing evaluation of appropriateness of care and to meet the 90% approval rate on all reviewed records.

"In addition, new patients now wait about three weeks for a first visit to her office because admittance hinges on tests. Previously, new patients waited one-and-a-half weeks on average. Now some new patients are 'flat-out denied' care, the doctor's office said, because National Imaging Associates (NIA) in Arizona – the company that HMSA contracts to judge the legitimacy of doctors' ordered tests in Hawaii – deemed that the procedures were unnecessary.

"NIA's web page boasts: '... our clients come to us for customized solutions that optimize ... affordability. ...With National Imaging Associates (NIA), you benefit from ... financial resources that allow us to achieve bottom-line results and guarantee multi-year cost savings. No other solution offers you . . . more control. More power to you.'

"More power' to HMSA means less power to the patients. Loss of high quality, timely patient care are part of the collateral damage. In this physician's office, which is typical of what doctors are experiencing, the lessening of professional care is attributed to:

- increased time needed to educate staff about insurance plans and coding
- doubled time for administrative work
- devoting about three hours per workday to complete test orders that were previously preapproved
- follow-up time to process denials from NIA and for the doctors' subsequent appeals
- re-doing work when NIA calls with questions or to request paperwork, which was provided in the original filings
- increased staff turnover

"HMSA's abolishment of its waiver policy affects patients, doctors, staff, and potentially much-needed specialists from elsewhere. Physicians especially if they had previously earned waivers for preapprovals and who might contemplate practicing medicine here would not want their judgment about test orders routinely questioned. New characterizations of these current HMSA doctors include the words 'stressed, overburdened, frustrated and short with their staff.'

"The argument that revoking this policy protects patients from too much radiation is weak. Doctors collaborate with each other; they review patients' records including tests; and they are aware. It's what they do. Also, not every patient fits the textbook guidelines of NIA. We have specialists because they know more than routine, textbook health solutions.

"Lastly, the costs incurred by HMSA when they are sued by patients for negligence and other actions will not outweigh the savings from cost-containment restrictions that NIA promises HMSA. The tort of insurance bad faith that comes from insurers breaching their duty of good faith and fair dealing was firmly established in Hawaii by the Hawaii Supreme Court's landmark decision in *Best Place v. Penn American Insurance*.

"Furthermore, the California Court of Appeals found in 2013 that the administrator of a health care plan owes a duty to plan members to exercise due care to protect them from physical injury caused by its negligence in making benefit determinations under the plan.

"So call it risky business, monkey business or bad business. People never win when doctors' skilled hands are tied by a corporate insurer. Requiring these physicians and specialists, who had previously earned HMSA's precertification approval, to go through each step in the approval process doesn't save patient lives. It only helps HMSA's bottom line. Let me repeat that: It only helps HMSA's bottom line."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2740, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 994-16) recommending that H.B. No. 375, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 375, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROPERTY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Ohno voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 995-16) recommending that H.B. No. 2629, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2629, HD 2 pass Third Reading, seconded by Representative Evans.

Representative McDermott rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative McDermott's written remarks are as follows:

"I oppose HB 2629 because it would expand the existing registration requirement to implement a federal biometric registry of Hawaii gun owners. Positive hits in this system have not necessarily been adjudicated and could cause issues with an individual's ability to exercise their constitutional rights. Additionally, this could result in a potential fee increase and cost gun owners more than what is already required in Hawaii due to the cost associated with adding individuals into this biometric registry.

"A few other notes: The rap back is not used anywhere else in the country for firearms purposes. This system is constant monitoring of law-abiding citizens exercising a constitutional right, we wouldn't think of doing this for any other right."

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

Representative Jordan's written remarks are as follows:

"The bill intent is admirable, however the bill reliance on arrest alone to deny permits is, I believe, inappropriate. The ability to deny a permit based upon an accusation alone should not preclude an individual the right to be granted a permit, unless potential permittee has been bound over for trial, indictment, or conviction for crimes that would disable firearms possession in Hawaii."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered." [Note: Representative Thielen later changed her vote to a no vote.]

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

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

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

Representative Keohokalole's written remarks are as follows:

"I have concerns about the due process rights of individual firearm owners who are charged with qualifying offenses under this bill. Should this bill pass, it is possible that police departments will be notified of arrests of these individuals prior to conviction. I am concerned about the scope in which police departments are authorized to use pre-conviction information of individuals who are arrested in other states. We should proceed with caution when addressing the government's ability to utilize pre-trial or pre-conviction information as a basis for probable cause actions against those individuals in this state. Thank you."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered." [Note: Representative Ward later changed his vote to a no vote.]

Representative Tupola rose to disclose a potential conflict of interest, stating:

"Ruling on a potential conflict. My husband is a police officer," and the Chair ruled, "no conflict."

Representative Tupola continued, stating:

"Thank you. May this ruling stand for the rest of the session? Thank you," and the Chair "so ordered."

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

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

Representative DeCoite rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative DeCoite's written remarks are as follows:

"In regards to HB 2629, HD 2, I'd like to leave these comments in opposition. The Federal Bureau of Investigation permits authorized government agencies, including law enforcement, to access a program, known as rap back, that provides continuous criminal record monitoring of individuals who are subject to a criminal background check. When an individual is arrested for a criminal offense elsewhere in the country, the agency that conducted the background check will be notified.

"Act 210, Session Laws of Hawaii 2012, authorized the use of the Rap Back System as part of background checks for 41 specific purposes including checks for employees and prospective employees whose positions involve the handling of firearms for other reasons other than law enforcement purposes.

"This measure would allow even a traffic arrest to have guns removed. For certain people that live off of the land and hunt for a living and gather, this could impact them drastically."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2629, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Third Reading by a vote of 36 ayes to 15 noes, with Representatives Choy, Evans, Ito, Jordan, Keohokalole, Lowen, Oshiro and Pouha voting aye with reservations, and with Representatives Aquino, Cullen, DeCoite, Fukumoto Chang, Har, Kawakami, Kong, Matsumoto, McDermott, McKelvey, Thielen, Tokioka, Tupola, Ward and Yamane voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 996-16) recommending that H.B. No. 2017, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2017, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION TREATMENT PLANS," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 997-16) recommending that H.B. No. 2482, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2482, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 51 ayes.

At 1:27 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2343, HD 2
 H.B. No. 2740, HD 1
 H.B. No. 375, HD 2
 H.B. No. 2629, HD 2
 H.B. No. 2017, HD 1
 H.B. No. 2482, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 998-16) recommending that H.B. No. 2388, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2388, HD 3 pass Third Reading, seconded by Representative Evans.

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

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

"Thank you, Mr. Speaker. I will be voting for the measure, but with this following caveat. This bill does not exempt the new prison from an EIS, but there are some issues, there are some problems. If the question is whether the 20-year-old EIS will be sufficient, and my analysis as a retired practicing attorney specializing in environmental and land use issues, my opinion is that a 20-year-old EIS would not be sufficient and it would need to be updated with a new document.

"So I would like to see the bill have a stronger clause, stating that any new correctional facility must comply with Chapter 343 and be required to have the environmental statement. We went through this with Superferry and we know the result of that. No Superferry is running. So let's not do that again with the prison.

"I think the bill can be corrected, it's going over to the Senate. I am voting for it, but let's have the environmental component firmly attached to that bill. Thank you."

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

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

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

"Mr. Speaker, I know that this bill is a work in progress, there's a lot more things to be done. I will be voting in support. Hopefully as it moves to the other side we'll be able to come up with a compromise, to come up with ways to finance the development of both sides, like Halawa for another prison and development of the Kalihi site, 16 acres.

"And there's a way to possibly come up with a very innovative way to finance at less cost in building both projects. But we should not be putting another prison in the Kalihi site, because no investor in their right mind will be able to come up with a public-private partnership, put in their money there. Because if you have a prison still on the site, no investor will be coming in to help us out.

"I will be submitting additional comments, Mr. Speaker, into the Journal. Thank you."

Representative Cachola's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB 2388, HD 3. As mentioned in my earlier comments, this bill is convoluted for the following reasons: if the prison remains in Kalihi by building a high rise that uses a smaller footprint, and another footprint is created by using the remaining land for residential and commercial development, then no developer in their best judgment would be willing to invest in the project because of its proximity

to the prison- it would really be a HARD SELL. Moreover, with this Kalihi development project to build commercial and residential high rise and a new prison, an Environmental Impact Statement (EIS) would still be required.

"In moving OCCC to Halawa, it is possible that an EIS would not be needed since one has been done when Halawa was built. It is also possible that only an Environmental Assessment for additional building may be required.

"Also, the absence of a prison in the OCCC site would generate more interest and attract potential revenue producing investors for the State and counties.

"I would like to reiterate my suggestions as a funding approach. We can come up with ways to build the prison with less amount of money by converting the fee simple interest of OCCC to leasehold for 50 years or more for \$1.00 in exchange for the developer to build the Halawa prison complex at less or no cost to the State. To incentivize further, we award to the developer Special Purpose Revenue Bonds for projects in the old OCCC in Kalihi as well as a new prison in Halawa.

"Lastly, should we find a willing developer to accept both projects, since we own the fee simple interest in the 16 acre Kalihi site, we will be generating lease rent revenue from the improvements of the OCCC site."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2388, HD 3, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting aye with reservations, and with Representative Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 999-16) recommending that H.B. No. 2389, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2389, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FEDERAL REIMBURSEMENT MAXIMIZATION SPECIAL FUND," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1000-16) recommending that H.B. No. 2563, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2563, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TOURISM," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1001-16) recommending that H.B. No. 2291, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2291, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you. I rise in support. I just want to point out, this is the bill that makes our 100% renewable energy goal 100% by 2045. I'd just like to point out that this was a policy established by this body, by the Legislature directing the PUC to go forth and execute, along with the rest of the state departments.

"It's a policy that the Department of Business, Economic Development & Tourism's latest numbers show have reduced our consumption of oil by 2.1 million barrels. Which means we have saved, Hawaii has saved, \$237 million. People of Hawaii have saved \$237 million. And that's something

that this body established and directed the PUC to do, and it's something we should be proud of. Thank you."

At 1:59 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:00 o'clock p.m.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2291, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1002-16) recommending that H.B. No. 1708, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1708, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICINE AND SURGERY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1003-16) recommending that H.B. No. 2200, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2200, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, in opposition. I spoke a little bit on this earlier on a measure today. Public trust monies are for specific purposes, Mr. Speaker. Under the HHC act of the 1921 congressional efforts, dollars should be put towards that effort. And unfortunately, as good intent as this measure is to help the trust fund that helps recuperate Kahoolawe, I don't think or feel that that falls within this.

"We must first rehabilitate and provide those five purposes to the beneficiaries of the HHC. And most of the destruction that happened on Kahoolawe, and I heard the director, of the trust fund, Mr. Nahoopii, and I just differ in his opinion in his testimony. I feel the federal government destroyed Kahoolawe, they provided \$400 million, \$40 million of that went to the trust fund, the other \$360 million went for munitions removal to the best of that extent.

"We should learn from those mistakes, Mr. Speaker. Because that island is in no shape, no way, no form for individuals to habitate on, or to even provide working opportunities in safe manners. And we should look at other ways of helping to fund that trust fund's \$3 million of operational costs.

"They have other abilities with their Kihei property to derive revenues. We have been talking about this for the last five years on their trust fund dwindling, but I really don't believe we should be using public trust monies of those 25% revenues derived from public lands for this specific purpose on Kahoolawe.

"So may I have permission to submit additional comments into the Journal? Thank you very much, Mr. Speaker."

Representative Jordan's written remarks are as follows:

"I stand in opposition to HB 2200, HD 2, which authorizes the BLNR Chair to transfer public land trust funds to the Kahoolawe Rehabilitation Trust Fund and authorizes OHA to expend public land trust funds for purposes consistent with those of the Kahoolawe Rehabilitation Trust Fund.

"While the intent of this bill to facilitate the continuing preservation, restoration, and appropriate use of the Kahoolawe Island Reserve is laudable, the use of public land trust funds for this purpose does not comport with the Admissions Act. As a condition of statehood, the State is mandated to hold the lands and income therefrom as a public trust for the 'support of the public schools and other public educational institutions, for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920, as amended, for the development of farm and home ownership on as widespread a basis as possible for the making of public improvements, and for the provision of lands for public use.' The Admissions Act further states that the 'use for any other object shall constitute a breach of trust.' The use of public land trust funds for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920, cannot be used for the Kahoolawe Rehabilitation Trust Fund and I believe would constitute a breach of trust."

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

Representative DeCoite's written remarks are as follows:

"With reservations. I would like to take the words from the Representative from Wai'anae and submit them into the Journal.

"I would also like to add: Do not use public trust funds for this purpose. The Federal government should be doing the clean up until it is completed, and not leave the State to clean up their mess. The island is still unsafe and we should find other options of generating funds. At the same time, Mr. Nahoopii is doing the best he can to keep Kahoolawe sustainable."

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

"In opposition and I request the comments from the Representative from Wai'anae to be represented as my own," and the Chair "so ordered." (By reference only.)

Representative Ward continued, stating:

"I would just add that we are in the post pie era. Post pie era means post Inouye era. The good Senator got us a lot of funds to get Kahoolawe cleaned up, unfortunately not quite enough. And now as a way of funding it, taking it out of the public trust lands is not a good idea, Mr. Speaker.

"Kahoolawe must be cleaned up, but there must be a better way, and it is not through the public land trust funds. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2200, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NATIVE HAWAIIAN RESOURCES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives DeCoite, Oshiro and Tupola voting aye with reservations, and with Representatives Jordan and Ward voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1004-16) recommending that H.B. No. 2350, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2350, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I am in opposition to this. I'd first like to state that I'd like my comments from the previous reading to be inserted," and the Chair "so ordered." (By reference only.)

Representative McDermott continued, stating:

"And just a few more comments. I failed, Mr. Speaker, to convince my colleagues that these words mean anything, and I deeply regret my failure to convey that the term 'foster parent' connotes a term of endearment.

"Now granted, no one calls their parents, their foster parents, hey, this is my foster dad or foster mom. Everyone calls them mom or dad, or auntie and uncle. Unless, of course, these children are teenagers and brought out when they are 13 or 14. Well, that's not their mom and dad, they know it, so maybe auntie or uncle. Maybe they're not happy being there.

"The challenge with when we try address issues like this is no cookie-cutter solution ever fits every problem. But this is not required by federal law. We found that out in the questioning. In fact, the director came by my office afterwards and we had a very nice chat about the system and the challenges in the foster care system. And she gave me a big hug and a kiss, just so you know. It wasn't adversarial. And she understood what I was conveying.

"And so you have these short-term foster situations, which I guess are indeed a situation where it is very transient. But the children that are in long-term placement, there is more of a permanency in the relationship and more of an endearing term.

"I mean, in this body we say words mean things. There are hurtful words, there are nice words, there are bad words, there's good words, there's words I can't say on the floor because they are vulgar or profane. So words mean things. And I just failed to convince my colleagues, and I do regret that because I had no monetary stake in this. I am done as a foster parent, it is just something I lived through for about 15 years, and now as an adoptive parent it's very sensitive to me. But there were four acts to this bill. That was one. So, we determined that it wasn't required by law.

"So why are we doing it? Well the best, and I sat there and asked questions, the way I can relate it to you, it was sort of this new nebulous kind of collective group thought emerging. Not based on any peer-reviewed studies by professors or psychiatrists, just kind of a way we're doing things now. A group thought that this is what we should call it.

"I know there was testimony from groups that support it, but as I recollect I was the only foster parent there, or former foster parent, involved in the discussion. It was mostly government officials.

"So we're also going to have to go back and, once we do this, come back next year and then clean up all the other statutes that have foster parent in there and put in corrective language, resource caregiver. Which to me depersonalizes the relationship with the child and the individual in the care of that child, particularly if it's a long term situation. So for the purposes of the argument, I am removing the short-term, transient, less than six months.

"And it was related to us that 60% of the children are reunited with parents. Now, I don't know what that figure refers to. Is that a holistic figure? Is that a short-term figure? I don't know, because there are many children who are taken from mom and dad, they get their act together, they go back, clean bill of health and we don't see them anymore.

"The second issue was the ability for these kids to participate in after-school activities. Well, I've never heard of such a thing where kids weren't allowed to practice football or anything like that because the parents would be sued. I suppose it was a problem because it came to us, but that's never been something I experienced, but certainly I support that aspect of it, where children are encouraged to participate in extracurricular activities."

Representative Pouha rose to yield his time, and the Chair "so ordered."

Representative McDermott continued, stating:

"Changing the minimum age from 16 to 14, well I think any healthy parent engages in discussions with their children. If not on a daily basis, certainly every other day. How was your day, what do you want to do, how are you doing, how's homework? So I characterize that, that's a continuing parental responsibility to maintain contact with your child. Again, I am focused primarily on long-term, because that's my experience with these children.

"But it lowers the age from 16 to 14. Now, taken in and of it by itself that doesn't mean a whole lot, especially if you're a good parent. But again, I go back to what I spoke to previously in this session, 14 becoming a new age of emancipation across all these different bills that we have coming forth. And here is another bill where now the magic age is 14.

"So my big objection was the term 'foster parent' turning into 'resource caregiver'. It was a non-cost item, it didn't really impact anything except the way people feel about it and the way I feel about it. But I failed.

"The other thing was, as I recall, and I would invite the Chair of Judiciary to correct me if I'm wrong, the original draft had I think complete immunity for either the State or the foster parents and/or both, I'm not sure. But to me, that was the meat of the bill. That was the meaningful piece of legislation that was sent to us that we needed to look at. And of course, on that thing we made it easier for the State to be sued, I do believe. I'm not a lawyer, so when they start talking all this legal stuff it gets deep in the weeds, and that's not my area of expertise. But I think the original draft, and again I invite the correction if I'm wrong, was much harder to sue than this draft.

"So the meaningless provision, the name change, we leave it in, but the real teeth of it, the threshold for litigation, we actually lowered. And so I felt very disappointed because only one or two people, I guess it was the Hawaii Association for Justice, I think they are the ones that said they have a problem with the higher degree of immunity, we need to lower it to the reasonable parent level. Which I have no horse in the fight.

"But I felt rather useless that all my questions, all my emotion, all my cajoling that went into keeping the name change were unsuccessful. Thank you."

Representative Thielen rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm rising with strong reservations on the measure. Mr. Speaker, think of a foster child that is starting kindergarten or first or second grade, and someone says, who's that? And the child would have said, either my foster parent, my tutu, my uncle, and then the child was corrected and said, no, the State House of Representatives said that you must call that person a resource caregiver. And that's really stupid. That is really stupid.

"And as my colleague from Ewa said, there's nothing in federal law that mandates us to give that term to a foster parent and make that child have to look at the foster parent as a resource caregiver. That's really an inhumane kind of a terminology. And what are we doing to youngsters? We want to establish warmth and caring relationships, and words mean something.

"We're taking a step today where we're giving a very cold term to that relationship and telling that child, that's not your foster mom, your foster dad, that's a resource caregiver. And I hope when the bill goes to the Senate that term disappears. Thank you."

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

"Mr. Speaker, words do make a difference and votes make a difference. And having had a no vote on this one, I would suggest that the words of the gentleman from Ewa Beach, who has raised 8 children, some adopted, some natural, some foster, be inserted into the Journal as my own," and the Chair "so ordered." (By reference only.)

Representative Ward continued, stating:

"Now let me very clear, I am the father of Johanna Mei Ping Ward. She was adopted from China 21 years ago, but if anybody called me a resource parent, I would resent that. So the good gentleman said no one is listening. I listened until it came to my daughter and I said yes, this is damning with faint praise by giving it a higher sounding thing, but actually denigrating it by calling you a resource. What are you, a clearing house, a banker, an investment banker, and kids, are you a sperm bank that creates people and clones them?"

"Mr. Speaker, this is about human lives, families with children who are mislocated, dislocated, and they are brought in, they are grafted on. There is nothing more closer in my relationship than with me and my daughter. And people ask, well how can you be so close to your daughter? Well, I ask all of you who are married in this House, what is the bloodline between you and your spouse? Zero. But the emotional bond and relationship is tight, the tightest that it can be.

"So Mr. Speaker, words make a difference, relationships and the way you call them make a huge difference. For those reasons, I will vote no. Thank you."

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

"Thank you, Mr. Speaker. In opposition. As well as my other colleagues that have mentioned many, many important things about this bill, I also wanted to bring to light that the bill changes the criminal history record check replacement and replaces it with the licensure. Meaning that it used to be that you had to get licensed to be an operator, employee or a new employee of a childcare or foster system, but this changes it where just a criminal background check is now going to be sufficient. So it does that.

"It also changes the name, and on top of it, it lowers the age. And I feel for all the same reasons that were brought up right here that this is not the way to go with this one.

"I don't see that it's necessary, nor is any federal funding going to be lost. So I think that leaving it the way it is, if there was significant amount of reasons or complaints or lawsuits that warranted this change, then I could see maybe why, but with that not being brought up in any of the hearings, it leads one to believe or to understand all of the issues that have been brought up. Why then the need for the change in the name? Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. As Chair of the Judiciary Committee, I did ask. There were two former foster kids at the hearing and I asked them this exact question about this terminology between foster kids and resource caregivers.

"They indicated that they thought that the terminology 'foster care' should go away. Never having been a foster kid I don't know what it feels like. It was admittedly to a very small sample size, but the ones who were there who had lived through it said we should change it, so I recommend that we change it. *Mahalo*."

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

"In support. I am speaking as a family law attorney who has done CPS work, Child Protective Services work. And I've noticed that there was a difference in how the DHS would treat foster parents and those who are not foster parents, who are aunts, uncles, siblings, cousins, who end up taking care of an in-need child.

"I see resource caregiver as being inclusive. And that was supported by all the testimony. That way, we do not denigrate the actual family, *'ohana*, who are not considered foster parents. The foster kids themselves who testified said they don't use the term 'foster parent'. They use auntie, uncle, dad or mom. This bill does not require the foster children to call their parents anything other than what they want to call them.

"In most cases, according to the foster kids themselves, it was auntie or uncle. And they were perfectly comfortable with resource caregiver, because they saw it as inclusive. They saw it in the bigger picture, unlike what some people have been referring to. We should see this and the bigger picture of helping kids see their *'ohana* not only as foster parents, but including the *'ohana* of the extended family. Thank you."

Representative McDermott rose to respond, stating:

"I didn't want to do this, but first let's talk about the kids who testified. Both of them were about 25 years old, they were associated with one of these groups that came in to testify. Both of them were probably removed, certainly one was because he indicated he was, as a teenager.

"As I said, when you are removed as a teenager, you don't want to leave your mom and dad. In fact, he articulated that. You don't want to leave your mom and dad, you don't care if they're smoking crack, or ice, or whatever, that's still your mom and dad and you love them. These are very complex issues.

"The other child said, the one said he didn't care, the other one said, it doesn't really matter but I wouldn't call them foster mom or dad. So she is correct when she said that, but he was a teenager. Teenager. Of course he's not going to call them mom or dad, he has a mom and dad, he knows who they are, they've cared for him.

"Second issue, look at the big picture. I've probably been in family court about 30 times. Six contested hearings. I've lived it. It's not some fancy book learning. It's not representing a client. I had the best attorney in town, Francis O'Brien. I lived it. I brought them in. Five of them. I know what it is to get licensed. This is my area of expertise, my wheelhouse. So don't tell me about looking at the big picture.

"And talk about bringing the extended family in, what about when the extended family is in jail? Or smoking crack? And the Department of Human Services wants you to have an *'Ohana* Conference with them. Which happens, Mr. Speaker. It happens.

"Or you have a child for three years and dad gets out of jail. Gets out of jail and wants his kid back. Oh, by the way, dad has a tattoo under his eye which means he killed somebody, in the gang land. In the gang world, it means he killed somebody. So, let's look at this big picture. Now, you've got to go to the court and prove that dad's going to provide an unsafe environment for that child. A very high constitutional threshold. And you've got to mortgage your house to do that.

"So don't tell me about big picture. Don't tell me about representing somebody in family court. I've lived it, and I know what I'm talking about on this one. And who asked for it? What community groups came forward and asked for it? Nobody. Just the federal government said some guidelines here, suggestions. And that's all it is, is a suggestion. So now we pass it, so we're forced to defend it. It's like defending bad breath. Thank you."

At this time, the Chair stated:

"Members, before I go to Representative Thielen, the membership has been excellent this year, superb as far as floor debate. And in agreeing with my good friend from Hawaii Kai, this is the marketplace of ideas during floor debate.

"May I cautiously and sincerely ask that Members follow the House Rules. Rule 27.7 provides, it is not the person but the measure that is the subject of debate, and it is not allowable to arraign the motives of a Member, but the nature or consequences of a measure..."

At 1:54 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:54 o'clock p.m.

At this time, the Chair stated:

"I apologize, I just want to make sure we do our best to keep it copacetic."

Representative Thielen rose, stating:

"Mr. Speaker, I would like very much respectfully to adopt the words of my colleague from Ewa, and as a consequence I would like to change my 'with reservations' to an absolute no vote. And I would like to ask this body to again focus on the young children that were not there at that hearing. The kindergarteners, the first and second graders, and ask them, what does a resource caregiver mean to you? It wouldn't compute. And it's inhumane to the relationship that we are trying to make. So, a strong no vote because of that. Thank you," and the Chair "so ordered." (By reference only.)

Representative Tupola rose to respond, stating:

"Mr. Speaker, I just wanted to also add that looking through this, the amount of testimony, to me, it didn't seem like was enough to get the big picture, to be very honest. I felt like, in order for us to get a good sample size of as many foster kids as we have in this state, we would have to have many, many more testimonies to determine that this really is the direction that we should go, and of many ages as well, as brought up by my previous colleague.

"So I think good peer-review research as well as evidence needs to be shown in order for this bill really to validate that we need to make this change. Thank you."

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

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

"Mr. Speaker, I'm going to be voting no. It's very unusual for me to change my vote coming to the floor at third reading. I thought I've read through the committee reports, looked at the testimony. But hearing the impassioned speech of my colleague from Ewa and then hearing a similar remark from my old Legal Aid friend from Kailua and raising these commonsense notions about language and what it means, especially to the youngest in our families, pushed me over to vote against this bill.

"May I have permission to adopt the words of my colleague from Kailua as my very own, and the first speech of my friend from Ewa Beach as my very own. Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. Actually, I too will be voting no. I had not intended to vote no on this measure, but I was very much I think compelled to change my vote based on the arguments that were raised by the minority. I have many foster parents in my district, and while I do appreciate the Chair and Vice Chair of Judiciary in terms of wanting to move this measure, I don't think some of the testimony was necessarily representative of the population at large.

"And because I do represent many foster families in the District of Kapolei and Makakilo, respectfully I will be voting against the measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2350, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FOSTER CHILDREN," passed Third Reading by a vote of 43 ayes to 8 noes, with Representative Pouha voting aye with reservations, and with Representatives Har, Kong, Matsumoto, McDermott, Oshiro, Thielen, Tupola and Ward voting no.

At 2:02 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2388, HD 3

H.B. No. 2389, HD 1
H.B. No. 2563, HD 2
H.B. No. 2291, HD 2
H.B. No. 1708, HD 2
H.B. No. 2200, HD 2
H.B. No. 2350, HD 2

At 2:02 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:03 o'clock p.m.

At this time, the Chair stated:

"Members, with your kind indulgence, we're going to be taking pages 25 and 26 together. Keep in mind, on page 26, if you can look at Stand. Com. Report 1013-16, that would be House Bill 1932, House Draft 2, it's going to be deferred one legislative day."

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1013-16) recommending that H.B. No. 1932, HD 1, as amended in HD 2, pass Third Reading.

By unanimous consent, action was deferred one legislative day.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1005-16) recommending that H.B. No. 2391, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2391, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I'm rising to speak against the measure. Mr. Speaker, this bill is specifically a management tool to save money because of prison overcrowding. So it says, you have a thief in your district, they've broken into cars, stolen stuff, they've taken other goods. They have a trial, they are convicted, they are put into jail, and boom, they're back out on the street because the prison is overcrowded.

"So, what do the people in your community say? Oh, that's fine. Well, they don't. They are fed up. At least on the windward side, they are fed up with the constant catch, convict, release. Catch, convict, release. And they are so fed up with us here at the Legislature for not getting control over this and keeping the bad guys off the streets.

"This bill does nothing except release, release, because the prisons are overcrowded. So, no thought about the victim. The victim isn't actually involved in that decision of whether that convicted misdemeanant should be released. The victim may be notified after the fact, due to the different provisions, but no input at the beginning.

"So what do you do? You go back to your community and they say, we really want you people to get the crooks into jail. We're tired of having our cars broken into, we're tired of the thefts. And then what's the answer? Oh, we just are passing House Bill 2391, which says, catch, convict and release. And that should be the title of the bill. I vote no."

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

"Thank you, Mr. Speaker. In opposition. I thank my colleague from Kailua for her thoughts. I also am concerned that in this bill it's not designating that maybe a judge can pardon or excuse a certain misdemeanant. It actually gives the Director of Public Safety unfettered decision over this choice. It means that when somebody comes in, if he decides for this reason.

"It gives some guidelines. Not this much bail, not this type of offense. So there's a little box that he has to work in to make those decisions, but say for example that person came and it was a nonviolent crime, it was just a misdemeanor, and then they got excused. Say it was the same person again. Nonviolent crime, misdemeanor, they got excused, and then it happened again. We wouldn't know. There's no system whereby we're even going to track who is being let go and who is coming back in. If the same person is being let go multiple times, we're not even sure.

"And on top of it, we're not even sure if it's going to be saving us any money. Because some of these guys would have been in jail maybe a day, two days, three days. Regardless of how much time they are going to actually spend there, what we need to focus on is actually rehabilitating the people who are in there.

"There are constituents of mine that are working actively on a *pu'uhonua* system of trying to get these inmates back into a mindset whereby they can operate in society. How about let's work on the back end of this instead of the front end. Once they come through, helping them to rehab, helping them to get the help they need, helping the workforce, the work development program. There are many ways that we can go about attacking this overcrowding issue, but I think that the way this is set up, giving the Director of Public Safety the discretion over it, and on top of it no system whereby to track how many people are being let go, if it's the same person over and over again.

"And one of the bills that just got sent over is raising the threshold for all of the crimes. Meaning the misdemeanor is now going to be, the theft threshold will be raised. So now you can even steal more and you can get let go every single time. This is not what's going to help our society. This is what people in Hawaii are depending on us to do, is make good laws that have good tracking methods and that actually produce results and actually save money. Substantially save money. Not just pennies and dollars, but a substantial amount.

"So I think we need to look at the big picture of what's happening, and if this really is a crisis of overcrowding, then approach it from many, many different angles as opposed to just the front end with no clear process that's kinda sorta going to work, maybe going to save us some money. For those reasons, I vote in opposition. Thank you."

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

"Mr. Speaker, in opposition, brief comments. First, Mr. Speaker, the last I understood, the power to pardon is in the Governor's Office, up on the fifth floor. This body is now giving the power to pardon, if you will, to the Director of Public Safety. Go figure. Are we in that much trouble? Are we in that bad a shape to have to do that, given what the danger may be back to society? My sense is, no.

"When this bill hits the street, every crook in the kiosk is going to have a party saying, look what we can do now. We can get out of jail free. Just act like you might, make it to fake it. You may not have to serve your term, just please everybody for the first six weeks or whatever it is.

"Mr. Speaker, this is dangerous. There's a better way to save money than this. This is a penny wise and pound foolish way to say it. The last comment, Mr. Speaker, is what Rudy Giuliani did in New York City. The broken windows syndrome is, when you have a small offense that's overlooked, like these misdemeanants, the big ones grow and multiply and they stand on the shoulders of the next one.

"If this gets out, Mr. Speaker, what's going to be the next stage of clearing out the prisons? This is a very, very slippery slope. It's going to embarrass us, if this passes. For those reasons, Mr. Speaker, I think we have to really think what we're sending over to the Senate today. Thank you."

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

"In strong support. For those of us who attended the informational hearing put out by Public Safety Chair Takayama and where Nolan

Espinda spoke about how bad the situation was, we know that right now we are at the brink of a federal lawsuit. The last federal lawsuit had fined the State of Hawaii \$10,000 per inmate, per day. Not pennies on the dollar, \$10,000 per day, per inmate.

"And so there was this drastic cutting. Not the discretion of Mr. Espinda. If you've ever met Mr. Espinda, he is not the kind of guy who is just going to let anybody out. Mr. Espinda is being put between a rock and a hard place. He sees this ax about to hang. He also knows that, especially in my district, we have one correctional facility for the entire island, twice the size of all the other islands combined, Hawaii Community Correctional Center.

"Hawaii Community Correctional Center is 177%, the highest amount of any of the other correctional centers. It's nice that Mr. Espinda said that if this bill passes, that's the first thing he is going to do. I spoke to his predecessor. He told me about how bad it was. How there was so little space in HCCC that it was kind of dangerous for a DUI arrestee to have to be placed next to somebody who is facing a violent crime, but who is pending sentencing and needs to be put in jail. So we are housing nonviolent detainees two to three in a room with violent detainees, sometimes four in a room.

"We need this bill. This bill has been watered down from what Mr. Espinda wanted, now it's just limiting it to nonviolent criminals, to nonviolent misdemeanants, which this legislature had already determined to be the lowest possible type of crimes. We are giving Mr. Espinda and the State breathing space before this ax falls of \$10,000 per inmate, per day. Thank you."

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

"In support. I wasn't really planning on speaking on this but I feel compelled to point out that a problem we don't have in the State is we just don't have enough prisoners. The United States of America has the single greatest proportion of its population imprisoned in the history of the world.

"We don't want for more prisoners. Yet when there's proposals to build more prisons to match these laws that put people behind prisons, sometimes for nonviolent offenses, nonviolent drug offenses and people say, just lock 'em up. And some people don't seem to care that we have a constitution that protects citizens from cruel and unusual punishment.

"And the current situation consists of cruel and unusual punishment. And if we don't do anything, the federal government is going to come in here and, like the previous speaker said, fine us a whole heck of a lot of money. But it's not just a money issue, it's a moral issue. So that's why I am in support. And I think there's just a lot of misrepresentation about this. Thank you."

Representative Tupola rose to respond, stating:

"Mr. Speaker, just to add on to my previous comments, I have visited all the prisons, in fact. Halawa, OCCC, women's, FDC, all of them. I've actually walked in the cells, I've actually spoken to the prisoners, I've actually spoken to a whole level of inmates at OCCC.

"And I've seen the conditions that they are facing, and it's bad. And that's why I'm suggesting that we address it at the root, which is that there are many of them that are in there for too long. They need to be rehabilitated, put in better conditions so they can get out. Granted, not only is it the misdemeanors, but it's also homeless that are being thrown in prison now because of the sit and lie bills and other bills, so I understand that part of it.

"However, we need to make leaps and strides and bounds in order to fix this problem, which means we have to address it at levels where people have been there for extended periods of time and not been getting better. Some of the high security containment areas that I looked at when I was at Halawa, to me needed help because it's not helping anyone get better or rehab back into society the way that they're situated in there. So those conditions need to change.

"But what I'm trying to say is that by doing this, are we going to make enough money to make that problem go away? I know that there are many lawsuits that have happened to many of these prisons. In fact, most of the guards are friends of ours. I know that. These situations happen because of overcrowding, but we need to think about how we can help people who have been there for too long to get out.

"How do we help the work force? How do we help them get into furlough programs? How do we help these people that have been there too long to transition out so that the system that we have in place can work? Instead of changing the way the system goes in order to accommodate a problem, let the system work the way that it is and push it through so that people get the help they need. So when they get back into the society, they're productive members of our communities. Thank you."

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

"In support. Mr. Speaker, this bill simply gives back to the Director of Public Safety an authority he exercised during the years that our OCCC and women's prisons were under a federal consent decree from 1985 to the year 2000. As the previous speaker from Puna expressed, a number of our facilities are actually under conditions that are worse than when our facilities were placed under a federal consent decree.

"Secondly, I want to note that if our constituents do ask us why we passed this measure, they should also ask why it's taken us more than 30 years to modernize or expand or upgrade any of our jails. Any of our jails on the Big Island, on Maui, on Kauai, or on Oahu. Because no improvements have occurred in the past 30, nearly 40 years.

"For those reasons, I ask your support for this measure. Thank you."

Representative Saiki rose to respond, stating:

"Mr. Speaker, I rise in support of this measure. Could you please first incorporate the words of the Public Safety Chair as my own," and the Chair "so ordered." (By reference only.)

Representative Saiki continued, stating:

"I just wanted to note that over the summer some of the House Members were fortunate to visit the Maui Community Correctional Center. And while we were there, we visited one module that included pretrial detainees. And the Maui prison officials informed us that these individuals were there simply because they could not afford to pay their bail. That module was overcrowded, as was the other modules at Maui.

"The Members should note that fellow courts in other states are beginning to hold that pretrial detention policies that adversely affect individuals based upon the ability or inability to pay bail may raise due process and equal protection violations. And that is why states like Kentucky, Oklahoma and Louisiana are taking the lead in reviewing their pretrial detention policies to ensure that people who are poor and not dangerous will have the ability to be released. Thank you."

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

"Mr. Speaker, I'm rising to speak against this bill. I'm going to be looking at the text of the bill. I was just sitting here trying to understand the policies of this bill, but in section 1, a concern that I have is that this gives the Director of Public Safety the ability to order the release of a pretrial or sentenced misdemeanor.

"That's normally a pretrial detainee who was unable to post bail or be released on its own recognizance. Or a sentenced misdemeanor means someone who may have pled guilty or been adjudicated and is serving time within the correctional center. What this does is allows the director's order to supersede and have the same force and affect as an order entered by a court. I'm not sure if the director has the ability or the understanding or the wherewithal to monitor and sanction the convicted misdemeanor or pretrial detainee as the court. So I raise that concern as also a question.

"I understand what they're trying to do here, because over the past several years upon any visit to the correctional facilities we all realize that they are over capacitated right now. They are far beyond what they were built for in the '40s or '50s or '60s or '70s, and that we could be several steps away from a federal lawsuit in violation of their due process rights, imminent claims of cruel and unusual punishment.

"But let me look through this bill again further. If their bail is below \$5,000, they may be eligible if they are not charged with a non-property crime but a violent crime, they are not charged with abuse of household member, and they are certainly not convicted of any crime of violence. But there's something interesting that goes on in this bill is that at the end, in section 4, it states that this act shall only apply to persons whose incarceration commences after the effective date of this act.

"So in this bill here, section 6, it's actually taking effect on July, 1, 2016. I take that to mean that for those who may become pretrial detainees after July 1, about four months from now, or plead out between that time, they would have the ability to avail themselves off this provision and be released by the Director of Public Safety.

"But all others who may be incarcerated right now or held on pretrial detainees, unable to post bail, they would not be able to be released. And some of those very individuals there who are sitting at OCCC right now, either as a convicted misdemeanor or as a pretrial detainee, may be the most eligible given their treatment or given the servicing they've been going through for several months or several years. But they would not be eligible to be released, and they may be least likely to commit a crime or find themselves back in trouble with the law.

"So these are the concerns that I have, and this is why I'll be voting no. Thank you."

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

"Very quickly, in support. When we deal with these types of prison issues there's a real paradox for us in this building and I really empathize with the Chair from Public Safety because there's a perception out there, the public wants us to be tough on crime. They also don't want us to spend money on prisons. How about spend money on schools instead of prisons, they always tell us this.

"But at the same time, we have overcrowded prisons, about three people for every one-person cell in OCCC on Maui. As vice chair last term I visited every prison as well, and it's sad, it's striking to see. So if we're not going to build more prisons and we're not going to stop being tough on crime and to cut back on mandatory minimums and re-evaluate the way we handle low-level drug offenders, then we have to let people out. There is no other option.

"So, I think that's where the director is coming from in Public Safety. And I do think there is room for some restrictive type of probation clauses, and it should be noted given today that I think there are about 1,000 children in Hawaii with mothers in prison. Most for poverty related, non-violent drug crimes. And some of these mothers desperately want to reconnect with their children, and many of them very much so deserve it. And many would gladly comply with more restrictive probationary conditions if they could just hug their child. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2391, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RELEASE OF CERTAIN MISDEMEANANTS," passed Third Reading by a vote of 36 ayes to 15 noes, with Representatives Aquino, Choy, Cullen, DeCoite, Har, Kawakami, Matsumoto, McDermott, Ohno, Oshiro, Thielen, Tokioka, Tupola, Ward and Yamane voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1006-16) recommending that H.B. No. 2084, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2084, HD 2 pass Third Reading, seconded by Representative Evans.

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

"A no vote, Mr. Speaker, and as a courtesy to the Members I'm just going to include my remarks from second reading. Thank you." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2084, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 48 ayes to 3 noes, with Representatives Kong, McDermott and Tupola voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1007-16) recommending that H.B. No. 2632, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2632, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, a no vote. I'd like comments in the Journal and to also note that the horse and buggy caucus is also against this. Thank you."

Representative McDermott's written remarks are as follows:

"I am opposed to HB 2632 because it would expand the list of possible prohibited possessors to include anyone who has undergone or is undergoing emergency hospitalization. This expansion for emergency hospitalization is vague and could entrap a person who has suffered something as common as diabetic shock to suddenly lose their Second Amendment rights, without due process of the law, simply for receiving care. Additionally under this bill, individuals are required to surrender firearms immediately, or else law enforcement may seize firearms, all without due process."

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

Representative Fukumoto Chang's written remarks are as follows:

"Mr. Speaker, I am in support of this measure. I would like to reference my written remarks on second reading on this measure on Wednesday, February 17, 2016. Thank you."

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

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

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

Representative Oshiro rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered." [Note: Representative Oshiro later changed his vote to a no vote.]

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

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

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

Representative Jordan's written remarks are as follows:

"This bill is admirable, however it seems broad and lacks due process protections. Under the current process, the police must initiate a process whereby a mentally ill person has 30 days in which to sell or give away their weapons. Prior to the police interception of the weapons, who is to say where the weapons will go, or who will monitor that transfer? Another issue left unanswered is that once the authorities have proceeded with the confiscation of weapons, how does one regain the weapon back upon having been declared healthy. Another detail of the proposed law, a person could be denied their Constitutionally-guaranteed rights based solely upon the 'oral application of... any state or county employee in the course of employment', Haw. Rev. Stat. §334-59 as referenced in this bill. This section specifically should be better defined as to who may make such determinations. For the reasons above I have reservations."

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

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

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

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

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

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

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2632, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Aquino, Creagan, Cullen, DeCoite, Evans, Har, Jordan, Kawakami, Lowen, Matsumoto, Pouha, Thielen, Tsuji, Ward and Yamane voting aye with reservations, and with Representatives Choy, Ito, Kong, McDermott, Oshiro, Say, Tokioka and Tupola voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1008-16) recommending that H.B. No. 2502, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2502, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Strong support. Mr. Speaker, the most effective way to discourage illegal trafficking in animal species threatened with extinction is to eliminate markets and profits. This bill aims to do that. But I'd like to address a few points that have been brought up in opposition to this bill.

"First, anyone who thinks that the national ban is effective enough and therefore state ban is not necessary, I'd say that state level bans are needed

to close up any existing loopholes in federal legislation that allow the illegal ivory trade to continue to flourish. The two largest ivory markets in the country are, or at least were, California and New York, and they have already passed similar legislation. Hawaii then, being number three behind them, that would make us the largest legal blood ivory trade in the country.

"This bill already provides exemptions for antiques and cultural practices, Mr. Speaker, for those who have opposed the measure based on exaggerated claims regarding how this would affect their heirlooms and inheritance.

"But with that in mind, last year I spoke on a similar bill. And I said something along the lines, I don't know if I can quote myself but, I am appalled by the concern that some would care more about the buying and selling of trinkets, Mr. Speaker, than about the annihilation of a majestic species on this planet.

"And I would expand that to think beyond just this planet and our solar system. Look beyond to the next star system, at Proxima Centauri, you're not going to find elephants there. Fourteen light-years away at the nearest earth-like planet and Kepler-452b, there's no elephants there. This is the only place in the universe where they exist. And we are going to annihilate that species because I like ivory jewelry? This is a huge moral issue, Mr. Speaker.

"As a species, we human beings have to collectively grow up, I would suggest, and start acting like adults or at least in a mature and responsible way that resembles our ability to think and act rationally, to think and act morally, and to understand that our purchases and actions as consumers have enormous external consequences.

"Now I'll just rattle off some numbers here, Mr. Speaker. Thirty thousand African elephants die each year as a result of poaching. And it's not for their meat, it's for their tusks. The United States is the second largest ivory market in the world, and Hawaii, as I mentioned, is the third largest state market. But now, without this legislation, we are the largest legal one.

"Tanzania, as just one country in Africa, has lost 60% of its elephant population in the last five years. In 2014 alone, Mr. Speaker, 1,215 rhinos were killed in South Africa, home to 80% of the world's rhino population. Eighty percent of Asia's freshwater turtle and tortoise species became at risk of global extinction in the past few years because of the illegal trade. We have lost 97% of wild tigers in the past century. As few as 3,200 tigers exist in the world today. There are more kids at my high school, Mr. Speaker, than there are tigers on this planet. Enough already. Thank you."

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

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

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

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

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on HB 2502. I am opposed to the illegal global ivory trade and strongly against the poaching of ivory-tusked animals and other endangered animals, and as such, I support the intent of this measure. However, I have reservations because the measure could unfairly harm people who already own ivory antiques as family heirlooms, therefore making them in violation of this measure if they wish to sell their own personal property, simply because they are ivory items."

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

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

"Strong support, written comments."

Representative Yamane's written remarks are as follows:

"*Aloha* Mr. Speaker, I rise in support of HB 2502, a bill relating to the sale and trafficking of wildlife. This bill sets standards for the sale and trade of wildlife in order to preserve and defend endangered animals. There needs to be improved coordination between Hawaii's natural resource laws and governing authorities in order to protect these land and marine species from ending up in the black market locally.

"Mr. Speaker, elephants are being slaughtered across Africa to meet the demand for ivory faster than they can reproduce, creating an unsustainable environment. With 96 elephants disappearing a day, that leaves only 10 years left of these animals before they become extinct. Ivory may have great monetary value, but the issue we are facing is ethical. Humans have the capability of eliminating this species, along with others, completely if action is not taken. These beautiful and majestic animals are being slaughtered and chiseled down to trinkets out of pure greed. We need to take the steps necessary to start promoting a mindset that values these creatures alive more than dead. As long as ivory is valued as a commodity, elephants will not stand a chance and remain at risk.

"In 1979 there were an estimated 1.3 million African Elephants. Just 10 years later, that number dwindled down to 600,000. The Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES) then placed a ban on the international trade of ivory. The parties that signed onto this agreement adhere voluntarily, and today we have anywhere between 434,000-684,000 elephants left.

"Many of these killings are linked to various terrorist group activities. African militia groups, such as Janjaweed in the Sudan, Uganda's Lord's Resistance Army, and Somalia-based Al-Shabaab, rely on the sale of this 'blood ivory' to fund their terroristic activities.

"Anti-poaching efforts are not sufficient or cost effective, and banning the trade, as done in 1989, has been the most effective and economical way to reduce the loss of elephants.

"Wildlife trafficking is known to be the 4th largest black market globally, and the US is among the largest consumers of legal and illegal wildlife products, only second to China. Hawaii has also been placed in the top 3 of states with largest ivory sales volume, only behind New York and California, and it is the only state without any legislation passed to prohibit wildlife trafficking and blood ivory sales. Hawaii is a key American gateway to Asia where tourists from the continent admire carved ornate art and jewelry made from ivory, and merchants here are pleased to oblige with sales. Unfortunately, there are holes and gaps at our ports. Therefore, closing domestic markets and supporting an international trade ban are necessary.

"Another African animal greatly threatened is the Rhino. According to the IUCN Species Survival Commission (SSC) African Rhino Specialists, poaching of African rhinos for the illegal trade of their horns increased by 43%, and in 2014, an overwhelming 1,215 rhinos were killed in South Africa. At this rate, like elephants, we only have a few more precious years with these animals.

"Tigers and other big cats are also targets for wildlife trafficking. These cats, especially tigers, are being poached for their bones, used in traditional Asian medicine, and their furs, used for decorative items. The unique patterns found on leopard, cheetah and tiger coats still remain in high demand for the purposes of black market fashion, and hunters pay \$40,000 or more to hunt these cats for sport and trophy purposes.

"Members, we in Hawaii are blessed with our beautiful and iconic marine animals. Globally, marine animals are also under attack and threatened by extinction. The deliberate hunting of sharks results in 100

million sharks being killed each year. Manta Rays, as a result of declining shark population, have also been targeted solely for their gill rakers. Both of these marine animals are essential to keep the ocean ecosystem balanced and reefs healthy.

"To address these trafficking issues, importers, exporters and sellers should be prepared to provide documentation, showing provenance, that exempts them from this prohibition list. When specifically dealing with ivory, it is extremely difficult to differentiate legal ivory from blood ivory. Even though there is an antique trade established, the amount of illegally imported ivory is substantial.

"Members, imagine a world without elephants, rhinos, wild cats and marine species, including our state's mammal, the Hawaiian Monk Seal. We are inadvertently contributing to their decline. As the country's 3rd largest black market in wildlife trafficking, we need to pass this bill to protect our wildlife and prohibit Hawaii's contribution to the black market trade."

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

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

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

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support. My slight reservations are the section on mammoths, which I believe are extinct. Thank you very much."

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

"Mr. Speaker, in support. I generally try not to make sort of semi-political arguments, but the World Conservation Congress is coming to Hawaii in a few months, and as I recall Hawaii is the state with the most endangered species in the world. I don't know how you square that status of having the most endangered species, which obviously we care about, but at the same time projecting to the world that we don't care about their endangered species. So I think to save ours and theirs, we all need to band together and do our best to end the illegal trade in endangered species animals and parts.

"I think it's in our self-interest to do so because other people may want to come and take the feathers off of our rare birds and recreate things that Native Hawaiian's did centuries ago, but that's something that we would not appreciate very much at all. And we wouldn't appreciate it at all if other countries don't try to cooperate with us in protecting our own endangered species.

"So, I think it's only fair to help other countries who are losing their endangered species, as we would wish for the help of other countries in protecting our own. I hope my colleagues will support this measure. *Mahalo.*"

Representative Ward rose to respond, stating:

"Mr. Speaker, just a footnote to the previous speaker's discussion. I am still with reservations. The endangered species, Mr. Speaker, unfortunately are mostly gnats, flies, insects, molecular size and those which crawl or are in the forest areas of the State of Hawaii. To compare them to those which grow tusks or have ivory growing around or through them I think is a bit misleading.

"Endangered species are real, we do lead the nation, but they are mostly out of the flora and the fauna that we have in our forests. Just as a footnote to that last speech. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2502, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WILDLIFE," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives DeCoite, Fukumoto Chang, Har, Johanson, Kobayashi, Matsumoto, McKelvey, Oshiro, San Buenaventura, Say, Tupola and Ward voting aye with reservations, and with Representative McDermott voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1009-16) recommending that H.B. No. 2367, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2367, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PREVENTION OF UNFAIR LABOR PRACTICES," passed Third Reading by a vote of 51 ayes.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1010-16) recommending that H.B. No. 2566, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2566, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTRICITY," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Say voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1011-16) recommending that H.B. No. 2233, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2233, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE PROFESSIONALS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1012-16) recommending that H.B. No. 2501, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2501, HD 2 pass Third Reading, seconded by Representative Evans.

Representative Jordan rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Jordan's written remarks are as follows:

"I stand in opposition to HB 2501, HD 2, which allows for a holdover disposition of water rights previously authorized pursuant to a lease during the pendency of an application for a lease renewal. Article XI, Section 1 of the State Constitution clearly requires that water be held in trust by the State for the benefit of the people. The Hawaii Supreme Court in the Waiahole Ditch decision explained that the State Water Resources Trust embodies the following fundamental principles: the State has both the authority and duty to preserve the rights of present and future generations in the waters of the State; and the State bears an affirmative duty to take the public trust into account in the planning and allocation of water resources, and to protect public trust uses whenever feasible. This bill undermines the constitutional mandate and duty to the public in favor of a large private corporation's continued water diversion."

Representative DeCoite rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative DeCoite's written remarks are as follows:

"There are many conflicting stories that have made many of us confused about this bill. DLNR and CWRM have impacted all farmers and ranchers in the process. The people of East Maui have waited patiently and far too long for justice to be served. Because of lack of attention to this matter, many have been put at risk at the sake of your department. Though a task force has been created, I don't have much faith in your process. I would expect while we are waiting for the inflow streams, we should have the capabilities to restore water effective immediately. Take that into consideration and do what is right."

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

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

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 2501, House Draft 2, but with STRONG RESERVATIONS.

"To explain my reservations, a brief overview of the undisputed facts is in order.

"The East Maui Irrigation Company (EMI) maintains and operates an integrated system of water ditches, intakes, and tunnels that collects water from streams located on the rainy slopes of East Maui and transports it to Central Maui for domestic and agricultural use. It is the primary source of water used by the Maui County Department of Water Supply to meet the domestic water needs of over 36,000 Upcountry residents and the irrigation needs of the small farmers in Kula. It is likewise the primary source of water used by HC&S to cultivate 36,000 agricultural acres in Central Maui.

"EMI has been collecting and delivering water from state lands in East Maui since 1878, under various lease agreements with the kingdom of Hawaii and then the Territorial and State governments. In 2001, Alexander & Baldwin, Inc. (A&B) applied to the State Board of Land and Natural Resources (BLNR) to initiate the process of issuing a long-term lease for the State's East Maui waters. The application acknowledged that:

- (1) The lease would be put up for sale at a public auction (for anyone to bid on);
- (2) An EIS would need to be prepared; and
- (3) Instream flow standards would need to be established and acknowledged by the lease.

"Since 2001, the lease process has been held up by subsequent procedural and legal challenges initiated by other parties, and the request to issue a long term water lease remains pending before the BLNR today. In the interim, the BLNR issued permits to enable the waters to continue to flow, while the legal challenges are being resolved and all the proper procedures followed, and the lease process can then proceed.

"On January 8, 2016, the Hawaii Circuit Court found that pursuant to Section 171-58(c), Hawaii Revised Statutes, the BLNR authorized EMI's continued use of these watershed lands on a holdover basis over the last 13 years. The Hawaii Circuit Court then invalidated the revocable water permits ruling that the continued use of public lands on a holdover basis for this duration of time is not a temporary use of public lands pursuant to legislative intent for permits.

"Thus, the purpose of this bill is to authorize the BLNR to holdover permits in order to continue a previously authorized disposition of water rights until such time as a pending application for the re-disposition of these water rights is finally resolved.

"In reviewing Judge Rhonda Nishimura's MINUTE ORDER DECISION RE: DEFENDANTS/APPELLEES ALEXANDER & BALDWIN, INC. AND EAST MAUI IRRIGATION CO., LTD. AND DEFENDANT

HAWAIIAN COMMERCIAL AND SUGAR CO.'S COMBINED MOTION FOR (1) PARTIAL SUMMARY JUDGMENT AND (2) CONSOLIDATION AND STAY OF PROCEEDINGS, FILED NOVEMBER 6, 2015, I agree with the Court's ruling, to wit:

Nevertheless, both HRS §§ 171-40 and 171-55 speak to the "temporary" nature of the permits, notwithstanding affording the board discretion to continue the permit on a month-to-month basis for additional one year periods. Temporary is not statutorily defined under Chapter 171. Black's Law Dictionary, 10th Edition, speaks to "temporary" as "lasting for a time only; existing or continuing for a limited (usu. short) time; transitory."

The revocable permits expired on June 30, 2001. The December 2014 revocable permits which were either continued or renewed on a holdover status (uninterrupted for the last 13 years through December 2014) are not "temporary" as envisioned under Chapter 171. Otherwise, hold-over tenants could arguably be allowed to temporarily occupy "public lands", almost in perpetuity for continuous, multiple one-year periods, which would not be in a manner consistent with the public interest or legislative intent. (e.g., finite terms are set forth throughout Chapter 171, see HRS §171-36, §171-54, §171-58.)

"For the record, attached to my remarks is a copy of the Minute Order.

"While I recognize that satisfying the requirements of an application for a water lease could take several years, and that it is understandable that an applicant for a water lease would want to continue water use under a revocable permit in the interim, I have grave reservations that this bill will effectively 'trump' the ruling of the Court and politicize the disposition of water rights in the State. I make this claim because as I view the ruling, the court was merely applying the plain reading of the statutory language to the undisputed facts of the case. The unambiguous language describing the time of a permit vis a vis a license – 'temporary' – did not and does not require any intention to be ascertained through the legislative record, committee reports, debates or discussion. A plain reading suffices.

"Still, however, I also agree with the Department of Land and Natural Resources when they testified that '*[I]n many cases, the water uses have existed for many years or decades, and so an interruption of the water supply under a permit could have serious impacts on residents, schools, hospitals, businesses and agricultural communities that rely on the water.*' But I'd also like to think that a reasonable solution can be worked out by the parties and the Court without the need for the Legislature to take the extraordinary step of enacting legislation to undo or trump an order issued by the Court applying the unambiguous language of existing law.

"Among other things, the affected parties could request a stay of the order pending a determination of a suitable allocation of water to the parties. Because HC&S will cease its operations, and A&B testified that the subsequent agricultural uses of those lands will be for diversified agriculture which is much less water-intensive, it is clear that there will be more than enough water for the taro farmers and the lessees in the central plains. In fact, the taro farmers themselves testified that there is more than enough water to share, and that it is not their intent to withhold all of the water to the demise of fellow farmers in central Maui. There is, if one listens carefully, much common ground upon which to build a stronger and interdependent long-term plan for water use on Maui.

"There is, however, a provision in the current draft that needs to be reviewed and better defined. This is the provision that reads in pertinent part:

A holdover may be authorized for a holdover period until such time as the pending application for the disposition of such water rights is finally resolved, even if such holdover period may exceed one year; [Emphasis added.]

"For instance, what does 'finally resolved' pertain to? Is this the administrative proceeding at the Commission on Water Resources Management? Does this cover the appeal of the Commission's decision to the circuit court? Likewise, does 'finally resolved' mean the final legal

disposition of the holdover permit or lease permittee at the Hawaii Supreme Court or U.S. Supreme Court? These are some of the questions that arise under the current draft and language to describe some period of time. In its present form it is not clear and provides little guidance to both advocates, opponents, and administrators of the proposed House Bill No. 2501, House Draft 2.

"Finally, from a public policy standpoint, our finite natural resource of water and land must be protected and preserved in the public trust. The protection and prioritization of water resources and farming lands need not divide our community. There can be a mutually beneficial resolution to the decades-long dispute that allows the parties to each share natural resources that neither can claim to control nor create.

"It is for these reasons that I have serious concerns on this bill but am willing to move it along to promote further discussion on this important issue. I reserve my vote subject to the final draft that may be brought back to this chamber for its decision."

Representative Oshiro also submitted the following documents:

ORIGINAL

FIRST CIRCUIT COURT STATE OF HAWAII FILED 10:30 o'clock A.M. Dec. 21 2015 K. Oshiro Clerk, 10th Division

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT STATE OF HAWAII

JKM

HEALOHA CARMICHAEL, LEZLEY JACINTHO, and NA MOKU AUPUNI O KO'OLAU HUI, Plaintiff(s), vs. BOARD OF LAND AND NATURAL RESOURCES, CARTY CHANG, in his official capacity as Interim Chairperson of the Board of Land and Natural Resources, the DEPARTMENT OF LAND AND NATURAL RESOURCES, ALEXANDER & BALDWIN, INC., EAST MAUI IRRIGATION CO., LTD., HAWAIIAN COMMERCIAL AND SUGAR CO., and COUNTY OF MAUI, DEPARTMENT OF WATER SUPPLY, Defendant(s). CIVIL NO. 15-1-0650-04 (RAN) (Environment; Declaratory Judgment) COURT'S MINUTE ORDER DECISION RE: DEFENDANTS/APPELLEES ALEXANDER & BALDWIN, INC. AND EAST MAUI IRRIGATION CO., LTD. AND DEFENDANT HAWAIIAN COMMERCIAL AND SUGAR, CO.'S COMBINED MOTION FOR (1) PARTIAL SUMMARY JUDGMENT AND (2) CONSOLIDATION AND STAY OF PROCEEDINGS, FILED NOVEMBER 6, 2015 HEARING: NOVEMBER 24, 2015 JUDGE: RHONDA A. NISHIMURA

COURT'S MINUTE ORDER DECISION RE: DEFENDANTS/APPELLEES ALEXANDER & BALDWIN, INC. AND EAST MAUI IRRIGATION CO., LTD. AND DEFENDANT HAWAIIAN COMMERCIAL AND SUGAR, CO.'S COMBINED MOTION FOR (1) PARTIAL SUMMARY JUDGMENT AND (2) CONSOLIDATION AND STAY OF PROCEEDINGS, FILED NOVEMBER 6, 2015

Civil No. 14-1-0918-04 (RAN) - Na Moku Aupuni O Ko'olau Hui vs. Board of Land and Natural Resources, Et al.

Civil No. 15-1-0650-04 (RAN) - Healoha Carmichael, Lezley Jacintho and Na Moku Aupuni O Ko'olau Hui vs. Board of Land and Natural Resources, Et al.

Court's Minute Order Decision Re: Defendants/Appellees Alexander & Baldwin, Inc. and East Maui Irrigation Co., Ltd. and Defendant Hawaiian Commercial and Sugar, Co.'s Combined Motion for (1) Partial Summary Judgment and (2) Consolidation and Stay of Proceedings, filed November 6, 2015.

Issue: Whether revocable permits 7263 (Honomanu issued to A & B), 7264 (Huelo, Hana issued to A&B), 7265 (Keanae, Hana issued to AUB) and 7266 (Nahiku issued to EMI) issued in December 2014 are "actions" governed under HRS §343-5. HRS §343-5(a)(1) states in relevant part:

- (a) Except as otherwise provided, an environmental assessment shall be required for actions that: (1) Propose the use of state or county lands or the use of state or county funds, other than funds to be used for feasibility studies or planning studies for possible future programs or projects that the agency has not approved, adopted, or funded, . . . provided that the agency shall consider environmental factors and available alternatives in its feasibility or planning studies[.]

HRS §343-2 defines "action" to mean "any program or project to be initiated by any agency or applicant." "Agency" means "any department, office, board, or commission of the state or county government which is a part of the executive branch of that government." "Applicant" means "any person, who pursuant to statute, ordinance, or rule, officially requests approval for a proposed action."

Revocable Permit No. S-7263 was approved by the Board of Land and Natural Resources ("BLNR") to A&B on July 1, 2000 for the right, privilege and authority for the development, diversion and use of water from the Honomanu License area at the monthly rental rate of \$1,698.32, expiring on June 30, 2001, and may be extended by "action of the Board for additional one-year periods."

Revocable Permit No. S-7264 was approved by BLNR, to A&B on July 1, 2000 for the right, privilege and authority for the development, diversion and use of water from the Huelo License area at the monthly rental rate of \$6,588.40, expiring on June 30, 2001 and may be extended by "action of the Board for additional one-year periods."

Revocable Permit No. S-7265 was approved by BLNR to A&B on July 1, 2000 for the right, privilege and authority for the development, diversion and use of water from the Keanae License area at the monthly rental rate of \$3,476.72, expiring on June 30, 2001 and may be extended by "action of the Board for additional one-year periods."

Revocable Permit No. S-7266 was approved by BLNR to EMI on July 1, 2000 for the right, privilege and authority for the development, diversion and use of water from the Nahiku License area at the monthly rental rate of \$1,426.88, expiring on June 30, 2001 and may be extended by "action of the Board for additional one-year periods."

However, by way of further background, in 1939, the Territory of Hawai'i and EMI had entered into the East Maui Water Agreement, which agreement established the 4 license areas identified as Honomanu, Huelo, Keanae and Nahiku, encompassing approximately 33,000 acres of former Crown lands. It appears undisputed that either or both A&B and EMI have continued its uninterrupted dominion over these 4 license areas to the present.

In or around May 14, 2001 (around 2 months prior to the 6/30/2001 expiration of the revocable permits), A&B and its subsidiary EMI requested sale of a lease at public auction of the Koolau Forest Reserve and Hanawi Natural Area Reserve, Hana and Makawao, Maui pursuant to section 171-58(c), HRS, generally identified as the Nahiku, Keanae, Huelo and Honomanu license areas (covered by the revocable permits issued to A&B and EMI by BLNR), for the "[r]ight, privilege and authority to enter and go upon the above-described areas for the purpose of developing, diverting, transporting and using government-owned waters," for a term of 30 years.

BLNR at its 5/25/01 meeting took testimony (oral and written) from over 40 individuals, for and against A&B's request for sale of the leases covering the license areas. The Board (BLNR) deferred action on this agenda item; instead, grant[ing] a holdover permit on a month-to-month basis, pending the results of the contested case hearing."

Upon the expiration of the revocable permits on June 30 2001, the Board has continued the holdover status of these revocable permits on a yearly basis, thus permitting A&B and EMI to operate in such a fashion for the past 15 years.

Plaintiffs contend that the December 2014 revocable permits are invalid, violative of Chapter 343's requirements of an environmental assessment, to wit, that the revocable permits are an "action" for purposes of HRS §343-5(a)(1); and further, that HRS Chapter 171 prohibits BLNR from granting multi-year authorizations of the revocable permits under the guise of a holdover permit, that there is no exemption that Defendants A&B and EMI can claim under HRS §343-5, HAR title 11, chapter 200(8)(b), and even assuming arguendo that the revocable permits can be merely characterized as continuing the status quo as an exemption, the exemption doesn't apply if the cumulative impact may be significant.

Contrary, Defendants argue that the revocable permits that were "continued" by BLNR in December 2014 on a holdover-basis, are not "actions" under HRS §343-5; therefore, no environmental assessment is required, that the revocable permits represent the continued operation of the A&B/EMI ditch system pursuant to the revocable permits issued in July 2000 with no changes to the permit terms and conditions. Rather, Defendants argue that the December 2014 revocable permit was placed "into holdover status to preserve the status quo pending resolution of the contested case."

The license areas at issue are “public lands” under chapter 171, HRS. HRS §171-40 addresses expired leases and holdovers and states in relevant part:

Upon expiration of the lease term, if the leased land is not otherwise disposed of, the board of land and natural resources may allow the lessee to continue to hold the land for a period not exceeding one year upon such rent, terms, and conditions as the board may prescribe . . . Upon expiration of the one-year extension, if the board has not yet decided upon the re-lease of the land or reservation for other purposes, the board may issue a temporary permit to the lessee, subject to section 171-55 and the rent such other terms and conditions as the board may prescribe.

HRS §171-55 addresses permits and states in its entirety:

Notwithstanding any other law to the contrary, the board of land and natural resources may issue permits for the temporary occupancy of state lands or an interest therein on a month-to-month basis by direct negotiation without public auction, under conditions and rent which will serve the best interests of the State, subject, however, to those restrictions as may from time to time be expressly imposed by the board. A permit on a month-to-month basis may continue for a period not to exceed one year from the date of its issuance; provided that the board may allow the permit to continue on a month-to-month basis for additional one year periods.

At the outset, the December 2014 revocable permits are not “actions” subject to Chapter 343 environmental assessment requirements. The December 2014 revocable permits were not programs or projects INITIATED by DLNR, BLNR or the Defendants. Instead, the December 2014 revocable permits were of a continuing (preserving the status quo), temporary nature placing the occupancy of the lands in a holdover status. Nevertheless, both HRS §§ 171-40 and 171-55 speak to the “temporary” nature of the permits, notwithstanding affording the board discretion to continue the permit on a month-to-month basis for additional one year periods. Temporary is not statutorily defined under Chapter 171. Black’s Law Dictionary, 10th Edition, speaks to “temporary” as “lasting for a time only; existing or continuing for a limited (usu. short) time; transitory.”

The revocable permits expired on June 30, 2001. The December 2014 revocable permits which were either continued or renewed on a holdover status (uninterrupted for the last 13 years through December 2014) are not “temporary” as envisioned under Chapter 171. Otherwise, hold-over tenants could arguably be allowed to temporarily occupy “public lands”, almost in perpetuity for continuous, multiple one-year periods, which would not be in a manner consistent with the public interest or legislative intent. (e.g., finite terms are set forth throughout Chapter 171, see HRS §171-36, §171-54, §171-58.)

Defendants’ combined motions for partial summary judgment and substantive joinders are DENIED.

Plaintiff’s motion for partial summary judgment is GRANTED. Plaintiff to prepare the orders.

3

and Suzanne Case (collectively, the “State Defendants”); Defendant County of Maui, Department of Water Supply (“DWS”); and Defendants Alexander & Baldwin, Inc. (“A&B”) and East Maui Irrigation Co., Ltd. (“EMI”); collectively, the “A&B Defendants”). On November 19, 2015, Plaintiffs filed herein their reply memorandum in support of Plaintiffs’ Motion.

Plaintiffs’ Motion came on for hearing before the Honorable Rhonda A. Nishimura on November 24, 2015. Summer L.H. Sylva, Esq., Camille K. Kalama, Esq., and David Kimio Frankel, Esq. appeared on behalf of Plaintiffs. Linda L.W. Chow, Esq. appeared on behalf of the State Defendants. David Schulmeister, Esq. and Elijah Yip, Esq. appeared on behalf of the A&B Defendants. Caleb P. Rowe, Esq. appeared on behalf of DWS.

The Court, having reviewed Plaintiffs’ Motion, the memorandum attached thereto, the memoranda in opposition, Plaintiffs’ reply memorandum, and the files and records herein, and for good cause shown, hereby GRANTS Plaintiffs’ Motion for the following reasons:

1. Plaintiffs filed the First Amended Complaint herein pursuant to Hawaii Revised Statutes (“HRS”) Chapter 343.
2. HRS §343-5(a)(1) requires an environmental assessment (“EA”) for “actions” which “[p]ropose the use of state or county lands.”
3. HRS §343-2 defines “action” to mean “any program or project to be initiated by any agency or applicant.” “Agency” means “any department, office, board, or commission of the state or county government which is a part of the executive branch of that government.” “Applicant” means “any person who, pursuant to statute, ordinance, or rule, officially requests approval for a proposed action.”

2

4. At issue in this lawsuit is the decision of the BLNR at its December 12, 2014 meeting to renew, *inter alia*, the following revocable permits (collectively, the “Revocable Permits”) for a one-year period:

- a. Revocable Permit No. S-7263, approved by the BLNR to A&B on July 1, 2000 for the right, privilege, and authority for the development, diversion, and use of water from the Honomanu license area at the monthly rental rate of \$1,698.32, expiring on June 30, 2001, and subject to extension for additional one-year periods by action of the BLNR;
- b. Revocable Permit No. S-7264, approved by the BLNR to A&B on July 1, 2000 for the right, privilege, and authority for the development, diversion, and use of water from the Huelo license area at the monthly rental rate of \$6,588.40, expiring on June 30, 2001, and subject to extension for additional one-year periods by action of the BLNR;
- c. Revocable Permit No. S-7265, approved by the BLNR to A&B on July 1, 2000 for the right, privilege, and authority for the development, diversion, and use of water from the Keanae license area at the monthly rental rate of \$3,476.22, expiring on June 30, 2001, and subject to extension for additional one-year periods by action of the BLNR; and
- d. Revocable Permit No. S-7266, approved by the BLNR to EMI on July 1, 2000 for the right, privilege, and authority for the development, diversion, and use of water from the Nahiku license area at the monthly rental rate of \$1,426.88, expiring on June 30, 2001, and subject to extension for additional one-year periods by action of the BLNR.

ORIGINAL

FIRST CIRCUIT COURT STATE OF HAWAII FILED 10:45 o'clock A.M. 1/8 2016 Clerk, 10th Division

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT STATE OF HAWAII

HEALOHA CARMICHAEL, LEZLEY JACINTHO, and NA MOKU AUPUNI O KO'OLAU HUI,)	CIVIL NO. 15-1-0650-04 (RAN)
)	(Environment; Declaratory Judgment)
Plaintiff(s),)	ORDER GRANTING PLAINTIFFS'
)	MOTION FOR PARTIAL SUMMARY
vs.)	JUDGMENT, FILED OCTOBER 21, 2015;
)	CERTIFICATE OF SERVICE
BOARD OF LAND AND NATURAL RESOURCES, CARTY CHANG, in his official capacity as Interim Chairperson of the Board of Land and Natural Resources, the DEPARTMENT OF LAND AND NATURAL RESOURCES, ALEXANDER & BALDWIN, INC., EAST MAUI IRRIGATION CO., LTD., HAWAIIAN COMMERCIAL AND SUGAR CO., and COUNTY OF MAUI, DEPARTMENT OF WATER SUPPLY,)	
Defendant(s).)	

Hearing:
Date: November 24, 2015
Time: 10:30 a.m.
Judge: Rhonda A. Nishimura

ORDER GRANTING PLAINTIFFS’ MOTION FOR PARTIAL SUMMARY JUDGMENT, FILED OCTOBER 21, 2015

On October 21, 2015, Plaintiffs Healoha Carmichael and Lezley Jacintho (collectively, “Plaintiffs”) filed herein Plaintiffs’ Motion for Partial Summary Judgment. On November 16, 2015, memoranda in opposition to Plaintiffs’ Motion were filed herein by Defendants Board of Land and Natural Resources (“BLNR”), Department of Land and Natural Resources (“DLNR”),

3

5. The State Defendants, DWS, and the A&B Defendants (collectively, "Defendants") argue that the decision of the BLNR to "continue" the Revocable Permits in December 2014 on a holdover basis is not an "action" under HRS §343-5. Defendants argue that no EA was required. The BLNR's December 2014 decision to continue the Revocable Permits does not constitute an "action" subject to the EA requirements of Chapter 343.

6. Nevertheless, pursuant to HRS §171-58(c), the BLNR authorized A&B's use on a holdover basis. This holdover status has continued uninterrupted for the last 13 years. HRS §§171-10 and 171-55 authorize the "temporary" occupation of public lands. A&B's continuous uninterrupted use of these public lands on a holdover basis for the last 13 years is not the "temporary" use that HRS Chapter 171 envisions. See also Black's Law Dictionary, 10th edition. Otherwise, holdover tenants could arguably be allowed to occupy public lands almost in perpetuity for continuous, multiple one-year periods. Such a prospect is inconsistent with the public interest and legislative intent.

7. Plaintiffs' Motion is GRANTED. Revocable Permit Nos. 7263, 7264, 7265, and 7266 are invalid.

DATED: JAN 0 8 2016
J. Otan
Clerk of the Court, 10th Division

DATED: Honolulu, Hawai'i, JAN - 8 2016

Rhonda A. Nishimura
RHONDA A. NISHIMURA
Judge of the above-entitled Court

4

6

CERTIFICATE OF SERVICE

The foregoing "ORDER GRANTING PLAINTIFFS' MOTION FOR PARTIAL SUMMARY JUDGMENT, FILED OCTOBER 21, 2015", has been entered and copies thereof served on the following parties via court jacket:

SUMMER L.H. SYLVA, ESQ.
CAMILLE K. KALAMA, ESQ.
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Attorneys for ALEXANDER & BALDWIN, INC., EAST MAUI IRRIGATION CO., LTD. AND HAWAIIAN COMMERCIAL AND SUGAR CO.

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LINDA L.W. CHOW, ESQ.
Department of the Attorney General
465 S. King Street, Room 300
Honolulu, HI 96813
Attorneys for BOARD OF LAND AND NATURAL RESOURCES, DEPARTMENT OF LAND AND NATURAL RESOURCES, AND SUZANNE CASE

The following party was served via U.S. Mail:

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Attorneys for COUNTY OF MAUI, DEPARTMENT OF WATER SUPPLY

5

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KAT

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Attorneys for Plaintiffs
HEALOHA CARMICHAEL, LEZLEY JACINTHO
and NĀ MOKU AUPUNI O KO'OLAU HUI

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT
STATE OF HAWAII

HEALOHA CARMICHAEL, LEZLEY JACINTHO, and NĀ MOKU AUPUNI O KO'OLAU HUI,) CIVIL NO. 15-1-0650-04 RAN
) (Environment; Declaratory Judgment)
)
) ORDER DENYING DEFENDANTS
) ALEXANDER & BALDWIN, INC., EAST
) MAUI IRRIGATION CO., LTD., AND
) HAWAII COMMERCIAL AND SUGAR,
) CO.'S COMBINED MOTION FOR (1)
) PARTIAL SUMMARY JUDGMENT AND
) (2) CONSOLIDATION AND STAY OF
) PROCEEDINGS FILED NOVEMBER 6,
) 2015
)
) Hearing
) Date: November 24, 2015
) Time: 10:30 a.m.
) Judge: Honorable Rhonda A. Nishimura

ORDER DENYING DEFENDANTS ALEXANDER & BALDWIN, INC., EAST MAUI IRRIGATION CO., LTD., AND HAWAII COMMERCIAL AND SUGAR, CO.'S COMBINED MOTION FOR (1) PARTIAL SUMMARY JUDGMENT AND (2) CONSOLIDATION AND STAY OF PROCEEDINGS FILED NOVEMBER 6, 2015

On November 6, 2015, Defendants Alexander & Baldwin, Inc., East Maui Irrigation, Ltd. and Hawaiian Commercial and Sugar, Co. (collectively "A&B") filed their combined motion for (1) partial summary judgment and (2) consolidation and stay of proceedings. On November 13, 2015, Defendant County of Maui Department of Water Supply filed its joinder. On November 16, 2015, Defendants Board of Land and Natural Resources, Suzanne Case and the Department

FIRST CIRCUIT COURT
STATE OF HAWAII
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Rhonda A. Nishimura
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of Land and Natural Resources (collectively "BLNR") did the same. On that same day, Plaintiffs Healoha Carmichael, Lezley Jacintho, and Nā Moku Aupuni O Ko'olau Hui filed their opposition to the combined motion for partial summary judgment and consolidation and stay of proceedings. A&B filed its reply on November 19, 2015.

On November 24, 2015, the Honorable Rhonda A. Nishimura heard oral argument on the motion. David Schulmeister and Elijah Yip appeared on behalf of A&B; Summer L.H. Sylva, Camille K. Kalama and David Kimo Frankel appeared on behalf of the plaintiffs; Linda L.W. Chow appeared on behalf of BLNR; and Caleb P. Rowe appeared for the County of Maui, Department of Water Supply.

Having considered the arguments raised by the parties and the entire record, this Court denies A&B's motion. To wit, this Court denies: A&B's motion to consolidate this case with Civ. No. 14-1-0918-04 RAN; A&B's motion to stay these proceedings; and A&B's motion for partial summary judgment. ~~Consolidation and a stay would only delay these proceedings.~~ *psw*

DATED: Honolulu, Hawai'i, JAN - 8 2016


JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:

LINDA L.W. CHOW
Deputy Attorney General
Attorney for BLNR

DAVID SCHULMEISTER
ELIJAH YIP
Attorneys for A&B

Carmichael v. DLNR, Civ. No. 15-1-0650-04 RAN; Order Denying Defendants Alexander & Baldwin, Inc., East Maui Irrigation Co., Ltd. and Hawai'i Commercial and Sugar, Co.'s Combined Motion for (1) Partial Summary Judgment and (2) Consolidation and Stay of Proceedings Filed November 6, 2015 Page 2

CALEB P. ROWE
Deputy Corporation Counsel
Attorneys for County of Maui, Board of Water Supply

Carmichael v. DLNR, Civ. No. 15-1-0650-04 RAN; Order Denying Defendants Alexander & Baldwin, Inc., East Maui Irrigation Co., Ltd. and Hawai'i Commercial and Sugar, Co.'s Combined Motion for (1) Partial Summary Judgment and (2) Consolidation and Stay of Proceedings Filed November 6, 2015 Page 3

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

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on HB 2501. While I understand that access to water is a very important issue that demands a swift response, I question whether or not it is best to attempt to legislate an answer to this situation, particularly when court proceedings continue to play out. I want to make sure that Alexander & Baldwin has enough water to ensure that the land can continue to be used for agricultural purposes. However, I also believe the farmers and residents of Maui should be afforded access to natural water sources since their livelihood relies on water access, especially *kalo* farmers who require a significantly large amount of water as *kalo* is a water-intensive crop. While I am voting in support, I have reservations because the language of the bill lacks a solution to satisfy all parties."

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

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

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

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

"Very strong support. Right now we have a sugar plantation that's going out of business. A whole era has been destroyed. We've got 37,000 acres that is going to be available. If we don't have water, then it will turn into a desert. That was a desert at one time. You won't have any diversified agriculture, you won't have fallow crops, you will not have hemp growing in the area if you don't have water.

"We need to have water and we need this protection period of five years, and hopefully within this five year period the DLNR water commission will come out with a water plan that is fair to everybody. Fair to the streams, fair to the vacant land, fair to the homes that depend on the water right now, fair to the businesses and ranches throughout the State that depend on the water right now, fair to the taro farmers.

"All that we're asking for is for five years to give us time to work on this problem, and to provide for and to prevent 37,000 acres of land becoming a desert and becoming a hazard to the people of South Maui. And this goes for the whole state. Thank you very much."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. Mr. Speaker, I would argue that instead of turning into a desert, it may turn into houses. That is the downside of not bringing diversified agriculture and having water. The Sierra Club testified in the Finance Committee said this is enough water for everybody. The only problem is, the water commission has not delivered the metrics, haven't delivered the goods of where the distribution is.

"So my sense is, this will be a negotiated settlement. It's on its way, this is a stopgap measure, it works. But if the water is denied to those 36,000 acres, my fear is you just can't leave them vacant, and as you've see on Oahu, it either grows weeds or it grows houses. And my fear is the housing. Thank you, Mr. Speaker."

Representative Tsuji rose to speak in support of the measure with reservations, stating:

"Thank you very much, Mr. Speaker. I stand in support. As Chair of the House Agriculture Committee, I hear firsthand about the difficulties faced

by our farmers and also by our ranchers. They face many uncertainties in the marketplace, whether it be weather, economics, invasive species, regulation, the list goes on and on and on.

"If we want to see agriculture grow in the State, or not only grow but sustain in the State of Hawaii, it is our responsibility to help the farmers, to reduce their risks whenever possible. The uncertainties created by Judge Nishimura's decision are serious.

"It is not the fault of the farmers. It is not the fault of the ranchers. The subject is complex. It's divisive. But it needs further discussion. Do we recall the earlier part of the year, 2016, the State of the State Address by Governor Ige, and I quote, he was futuristic. He said, 'in the future when we look upward to Central Maui, will we see green productive farmlands, a fallow dust bowl, or more homes for the super wealthy?' That was a question mark. 'And so we will work steadfastly with Alexander & Baldwin and Mayor Arakawa to keep these lands in agriculture as a first priority,' end of quote. Again, the quotation of the State of the State Address by our Governor Ige.

"Members, if you were here in the year 2008, you will remember that many of us helped pass the important agricultural lands legislation, or IAL bill. At that time, it was the first step in 30 years to fulfill a constitutional mandate to identify prime state-owned agricultural lands, to be known as IAL. The bill provided incentives for landowners to designate their lands into IAL in order to sustain viable agricultural operations and protect those lands from development. This is what we're talking about this legislation.

"After it became law, Alexander & Baldwin was the first to allocate or dedicate its lands into IAL. Since then, eight years have passed and much has changed. Our attitudes have changed also. Maui sugar production is ending after more than 145 years. We have a new governor. A governor that wants to keep A&B lands in agriculture. There is language in our state IAL laws that allows a farmer or landowner with qualifying lands to petition the land use commission to remove its IAL status if sufficient supply of water is no longer available for profitable agricultural farming.

"Maui is in the process of significant transition. If there is to be any change in the future for Central Maui and providing new agricultural jobs for the unemployed and those who want to seek agriculture as a career, then access to the state's East Maui waters will need to be sustained."

Representative Say rose to yield his time, and the Chair "so ordered."

Representative Tsuji continued, stating:

"Thank you very much. This bill, House Bill 2501, provides that BLNR will need the needed tools to allow the collection and the use of state water to help Maui. In fact not only on Maui, my home island in the District of Kau, the Big Island.

"I'll close with this. Advancing this bill will allow for continued discussion to craft a measure to be in the interest of all the people of Hawaii. Thank you."

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

"Thank you, Mr. Speaker. In strong support. May I have the words of the Representative from Hilo entered into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Creagan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise in support with some reservations. I think this bill needs some work in the Senate, and I am hoping our Senate colleagues will do the work that needs to be done to clarify some of the things in this bill and how it applies to other areas, and I hope that it will come back to us in a much clearer form. Thank you."

Representative Kobayashi rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. This bill is here because some people failed to do their duty. They should be pushed hard to do their duty in as quick a time as possible. Five years is sufficient, but I hope it can be done in a much shorter time. Thank you."

Representative Pouha rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, may I adopt the words of the previous speaker," and the Chair "so ordered." (By reference only.)

Representative Pouha continued, stating:

"Thank you. I rise with strong concerns. The district I represent is much similar to the water situation on Maui, and my heart goes out to the taro farmers on East Maui as they've been waiting for water for decades, it seems. And with water flow standards, with searching applicability of where this law may go, this may affect some people adversely. It's so contentious that I am not quite certain where to come down yet.

"But I do know that as a Representative from the Diamondhead area mentioned, some people need to be doing their jobs and we need to hold them more accountable for doing that. And so with that in mind, I do have some thoughts for all parties involved here and do hope that we can come to a resolution that really does address this issue. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Standing in strong support. Mr. Speaker, I've been compelled to rise in support to talk about this needed bill, HB 2501, Relating to Water Rights. Members, the purpose of this bill is to provide the authority to DLNR to issue the opportunity of a holdover disposition of water rights previously authorized pursuant to the lease during the pending status of an application and lease renewal.

"Mr. Speaker, earlier this year Hawaiian Commercial & Sugar Company announced the closure of Maui's only sugar plantation operation, ending an era of agriculture in Hawaii. If not for the water provided by East Maui over the past 130 years, 36,000 acres of Central Maui land would not have thrived as an agricultural land to grow sugar cane, keeping over 600 Maui families employed.

"Mr. Speaker, Maui, like the rest of our state, is facing a drastic change and the closure of Hawaiian Commercial & Sugar Company. This is an end of an era. Our history is rich in agricultural production. Hawaii used to grow pineapple, now sugarcane is gone. But, Mr. Speaker, we still are invested in diversified agriculture.

"We know, however, we need water in order for agriculture to thrive. If we do not continue to share the water from East Maui to Central Maui, we risk losing this vast agricultural production area of our state to potential development. Recently, the owners of the 36,000 acres published their intent to keep these lands under an agricultural designation to produce diversified ag.

"This vision for diversified ag includes biofuel crops, pasture lands, food crops and an agricultural park. In order to support diversified ag and sustainable food growth in Hawaii, the Department of Agriculture predicts the need of an area like that to have an average of 35,000 gallons of water per acre per day.

"So Mr. Speaker, if you do the math, at 36,000 acres just on Central Maui, it would require 126 million gallons of water per day to sustain diversified agriculture in Central Maui. The water shared by East Maui can sustain the substantial yield for diversified agriculture production in Central Maui.

"Should Central Maui lose this dedicated flow of water, opponents of this measure insist that the 15 wells can produce enough water to irrigate that area. Mr. Speaker, it has been proven and researched and tested that those 15 wells produce brackish water. These brackish water wells have

high salinity levels, averaging 1,280 to 1,920 milligrams per liter, according to samples.

"This high salt tolerance makes it difficult, per CTAHR, to grow the majority of food crops intended for this diversified agriculture plan. Thus, it is imperative that we ensure and protect water to transition from sugar to diversified agriculture.

"Members, according to the Land Use Commission, 75% of the agricultural lands, about 27,000 acres, currently in Central and Upcountry Maui, are designated important ag lands pursuant to HRS Chapter 205-44. By declaring this 27,000 acres as IAL lands, there is a compelling state interest in conserving the state agricultural land resource base and ensuring long-term viability of these agricultural lands, which require water.

"Mr. Speaker, if you look at HRS, it allows a farmer or ag lands to be re-converted out of IAL back to ag if there is insufficient water available. Members, you can look at Land Use Commission Administrative Rules, Section 15-15-127, in which the State risks losing designation of these lands regarding water.

"Members, the U.S. Geological Survey reported that in 2014, Central Maui's groundwater recharge could be significantly impacted with the changes of water."

Representative Cullen rose to yield his time, and the Chair "so ordered."

Representative Yamane continued, stating:

"Thank you, vice chair. Members, I do want to emphasize the fact that the water going to Central Maui not only irrigates crops but also recharges the aquifer that all of Maui's people drink from. We must be responsible enough to consider our future water needs. Especially when our islands of Maui and Hawaii are recently declared just five days ago by the National Weather Service in severe drought conditions. These severe drought conditions are also expected to intensify with global warming. The need of water to support the demand of our state agricultural products is becoming even more vital.

"Mr. Speaker, there have been many community concerns about this bill. The Department of Land and Natural Resources Commission on Water Resource Management have observed these stream flows, and have and will be determining a restoration of the stream in stream flow standards East Maui streams in 2008 and again will look at it in the coming years.

"Mr. Speaker, there has been some discussion regarding, is this bill specifically written to address one situation? I do want to highlight that I received comments from the Department of the Attorney General dated February 29, 2016, and I would like to read a portion of the response given to me by the Attorney General, signed off by Douglas Chin.

"The situation is unique at this time because the only permit that is in holdover status right now relates to Alexander & Baldwin and East Maui Irrigation Company. But under the current law, the situation that required the board to place revocable permits into holdover status is still capable of occurring in the future.

"The Legislature has the opportunity to address this situation by passing the proposed measure. And I'll go on. This bill, if passed, would allow the board to authorize the holdover of the revocable permit until contested case is decide and the board makes a decision on the request for lease. As demonstrated in the East Maui case, not continuing the permit could result in people being left with no drinking water, farmers being left with no water for their fields, and schools and hospitals being forced to shut down.

"Mr. Speaker, as of December 2015, nine other water revocable permits can be supported by this bill to include Hawaii Electric Light Company, the Ka'u Agricultural Water Cooperative and Kauai Island Utility Cooperative hydroelectric. Members, this legislation will address what would happen if and when these circumstances occur again.

"This bill, if passed, will allow the Board of Land and Natural Resources the ability to authorize a holdover of a revocable permit until the contested case of that revocable permit is decided.

"Members, we are elected by our community to make decisions. We have made a commitment to support ag in the past. Ag needs water, Mr. Speaker, and today, amongst our colleagues and on behalf of our community, we have an opportunity to decide if a prime area of Central Maui is going to be moved from important ag lands to fallow lands, to eventual urban development. So this is the time and place, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition with some comments. I just wanted to preface my comments by saying, long live agriculture. I am a huge proponent of ag lands, water. I wanted to include the public trust doctrine, which prioritizes customary traditional practices and the health of native streams and coastal life over private, commercial uses. As well, in 1987 the State of Hawaii adopted a water code which said the waters in the State are held for the benefit of the citizens of the State, and it declared that the people of the State are beneficiaries and have the right to have the waters protected for their use.

"In 2001, that's when the East Maui taro farmers first filed a contested court case against commercial use of the water, and wanted to divert this water back into 27 streams on East Maui. In 2005, Judge Hifo ruled in favor of the taro farmers and required an EIS which I believe, which I can be corrected, but I believe the EIS or the EA was not completed to this day.

"In 2007, BLNR granted interim relief to the taro farmers and allowed 6 million gallons of water to go to East Maui. In 2008, BLNR ruled an additional 12 million gallons go to help the taro farmers, but that was never the case. So they filed a bunch of court cases from then until 2015, when Dr. Lawrence Miike, a hearing officer in the contested case, recommended that there is sufficient water to support sugar production in Central Maui while allowing the streams to flow in East Maui as the law requires.

"So I think that's where the discussion stands. Is there really enough water to help Central Maui as well as give water back to the streams in East Maui, which is what the original court case in 2001 was about, was about sharing the water, sharing the resource. Not diverting it so that only one section gets it, but actually letting the land breathe and get life again.

"In January 2016, Judge Nishimura ruled that the state law does not authorize BLNR to hold said revocable permits for more than a dozen-plus years, because that does not meet common sense definition of temporary. So I think really the question is, is if the EIS or the EA was actually done and determined how much water is needed for that area and how much water can be diverted back into the streams in East Maui. If that was ever done, then we could have a conversation. Because I believe that actually County of Maui already had this situation where they had to present to the circuit court saying how much water they needed and for what purpose, and they were allowed to do it.

"But that's what the question is here. Is how much water is needed and for what purpose? and then allow the other waters to flow back to the areas that are needed for the private trust, which I read in the beginning, necessary for other types of agricultural production. So it's not to put one over the other, it's actually to support many agricultural productions that are happening. And so for those reasons, those are my concerns with only diverting it into one area as opposed to what the law has stated in.

"And I'll say for the previous speakers, I commend them for saying that fairness is what we need here and also keeping the law is what our Governor stated in his State of the State Address, is that recently we haven't been following those laws. So since 2001 till now with all these court cases and all these rulings and all these determinations about BLNR, we need to just do a EIS or a EA and determine where we're at with this

and let the waters flow like stated in the water code that's in our current statute in law right now. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I was going to be reservations and I was just going to insert comments, but I feel compelled to speak and to change my vote to a no, given what I've heard. I've only been here two years, Mr. Speaker, and God knows how long I will be here. But I have not seen more farm mongering on a bill before this body in two years, except for this one.

"Sugar Cane is over. Yep. It's a water intensive crop. It sure is. But in the Finance Committee that I sit on, A&B came before us and they admitted, we don't need the water in the next couple of years. We don't need it because sugar is gone. And, they admitted, that with diversified ag, that they are going to need a whole heck of a lot less water. And the numbers show that they have enough water already for these things.

"Today is the first time I've heard anything about brackish water. Mr. Speaker, greed is not good. It's not good. Hoarding is not good. There is enough water there for everybody. But what was said by the one company that this seems to be written for, if not by, is that we want all that water, we don't need it.

"And who does need it? The taro farmers need it, the streams need it, the *limu* and the ocean need it, the fish need it. It's a threat. It's a threat that if important ag lands don't have enough water, they are going to start growing houses. I asked several times if this was about development. That was my fear, Mr. Speaker. And I was assured no, no, no, this isn't about that.

"But I've heard threats now that, hey, if we don't give them what they want, they are going to develop. And that's why I'm a no, because I don't respond well to threats, and I don't think this body should respond well to threats, and I don't think the people of Hawaii should respond well to threats.

"One of the reasons I was with reservations was because I was not sure or convinced of the legal arguments as to who this applies to. There's been a lot of talk about that. And the letter from the AG that was just read, what I heard, if I'm not mistaken, was not that it does apply to everybody, but that it can. Not that it does, but that it can.

"If this doesn't pass, they can apply, reapply and reapply and get the water they need. But that means other people get the water too, and I don't know why there's such resistance to allowing other people access to water. Thank you."

Representative Yamane rose to respond, stating:

"Thank you, Mr. Speaker. Let me clarify, since I might have not been clear in a couple comments previously. I would like to highlight that the Commission on Water Resource Management, part of DLNR, is again reviewing the State's recommendation to increase and restore an additional 18 million gallons of water per day for the 10 East Maui streams, Mr. Speaker. That is currently under consideration.

"It was stated, Mr. Speaker, that there is an agreement that due to the demise of sugar there is going to be water restored, there wouldn't be as much water needed for diversified ag. And again, I would like to highlight, there is a significant difference between 150 million gallons a day versus 129.

"I also would like to address another misconception, Mr. Speaker. There are 15 wells located in that specific area, and again, as stated in my floor speech, that there have been estimated 90% of that water, that 90 million gallons of water is brackish, unsuitable for diversified ag. Again, that's not farm mongering, that's not accusations, that is tested well water from information from the Department of Land and Natural Resources, Mr. Speaker.

"I think there is a lot of misinformation going on. There was misinformation and misquotes from the Deputy Attorney General in her comments to the judge in which she clarified in this letter, saying that those were not accurate. Mr. Speaker, your Committee on Water & Land has met with the department, has looked at the issue of water, hasn't taken sides in regards to looking at if this was specific, but tried to address the question, Mr. Speaker, does this affect the whole State of Hawaii? And, Mr. Speaker, it does. Thank you."

Representative Thielen rose to respond, stating:

"Mr. Speaker, still with reservations, but I would like to request that the remarks of the speaker from Wailuku be entered into the Journal as my own. I thought he spoke very eloquently from that area. Thank you," and the Chair "so ordered." (By reference only.)

Representative Ing rose to speak in support of the measure with reservations, stating:

"I'm standing in support with reservations. I'd like to just express reservations because I'd like to stay in discussion with this bill as it moves to the Senate, and hopefully on conference. But the intent of this bill seems to be, one, supplying Upcountry Maui with water. That's important to me. I grew up there, my mom lives there. Oftentimes we had to conserve water, we were required to during certain droughts. So we understand what it is to have a shortage of water up there.

"Secondly, they'd like to support the last year of sugar cultivation. Fine, fine. A lot of people in my community had been against cane burning and other sugar issues, but now's the time for unity on Maui and that's a goal that I support as well.

"Lastly, the subsequent exploration of diversified agriculture. That's a passion of mine. I'm definitely in support of that. So the question is, do you need this bill, as it's so black and white? Well, if they didn't get these holdover permits, would it preclude diversified agriculture, water for South Maui and the last year of cane? I think that's still gray. I think that's still open for discussion and that's why I'm not going up or down on this and we ought to keep talking about it.

"As I understand, I've jotted some notes here, I didn't see it on the Finance Committee so I missed the most robust discussion on it. But there is about 17,000 acres that will grow sugar throughout this year, and there is I think about 8 million gallons per day that Upcountry needs, or 55 million gallons a day that they can pump from East Maui. But then also there is 83 million gallons a day from the brackish wells. So there is the brackish water, but there is also fresh water that can be tapped into.

"For these reasons, I am not going to impugn motives of any of my colleagues who stood up in support of this measure. I think they're coming from the same place I am, the same three goals. But I think it's important that we air out and iron out all the facts before I am comfortable taking a final vote on this, which I will on final reading. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2501, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WATER RIGHTS," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Creagan, Ing, Johanson, Keohokalole, Kobayashi, Matsumoto, Oshiro, Pouha, San Buenaventura, Thielen, Ward and Woodson voting aye with reservations, and with Representatives DeCoite, Jordan, LoPresti, Lowen, McKelvey, Takumi and Tupola voting no.

At 3:13 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2391, HD 2
 H.B. No. 2084, HD 2
 H.B. No. 2632, HD 2
 H.B. No. 2502, HD 2
 H.B. No. 2367, HD 1
 H.B. No. 2566, HD 2
 H.B. No. 2233, HD 2

H.B. No. 2501, HD 2

At 3:13 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:26 o'clock p.m.

LATE INTRODUCTIONS

The following late introductions were made to the Members of the House:

Representative Belatti introduced Ms. Sue Crawford and Mr. Jared Green of Transitional Coaching and Development Institute of Hawaii.

Representative Pouha introduced his constituent, Mr. Josh Noga.

Representative Oshiro introduced Ms. Mae Nakahata, agronomist at HC&S; and former Vice Speaker Paul Oshiro.

Representative LoPresti also recognized his constituent, Mr. Paul Oshiro.

Representative Thielen introduced her former staff, Linnea Schuster, UH Law student and 2015 Patsy T. Mink Fellow.

Representative Luke introduced Mr. Boyd Akase, former Director of House Minority Research.

Representative Belatti introduced Anya Maga and Michele Pestel-Maga.

Representative Ing introduced Ms. Kat Brady; Ms. Marti Townsend, Director, Sierra Club of Hawaii; and Ms. Nomi Carmona.

THIRD READING

H.B. No. 1517, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1517, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING," passed Third Reading by a vote of 51 ayes.

H.B. No. 1592, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1592, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMALS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

H.B. No. 2448, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2448, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATUTORY REVISION: AMENDING VARIOUS PROVISIONS OF THE HAWAII REVISED STATUTES AND THE SESSION LAWS OF HAWAII FOR THE PURPOSES OF CORRECTING ERRORS AND REFERENCES, CLARIFYING LANGUAGE, AND DELETING OBSOLETE OR UNNECESSARY PROVISIONS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2295, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2295, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AEROSPACE ADVISORY COMMITTEE," passed Third Reading by a vote of 51 ayes.

H.B. No. 2296, HD 1:

Representative Saiki moved that H.B. No. 2296, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I want to be very brief, but I want to be clear when they register a no vote, if I just left it a no vote without explaining, because this is one of my favorite programs, this is the future of space exploration with this PISCES program. But what they are doing is making a very commonsense, illogical mistake. They're knocking the deep pockets of NASA off of their board, and it just doesn't make sense.

"So when people see that I'm voting no against one of my favorite programs, I want them to know that it is because of the commonsense mistake of asking those which sponsor, fund and otherwise lead the whole direction of space exploration in America, we have on the board now. And this bill knocks them off, Mr. Speaker. It just doesn't make sense. For those reasons, I just want to go on the record. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2296, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Ward voting no.

H.B. No. 1581, HD 2:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1581, HD 2, entitled: "A BILL FOR AN ACT RELATING TO JUDICIAL PROCEEDINGS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2079, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2079, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SEARCH WARRANTS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2245, HD 1:

Representative Saiki moved that H.B. No. 2245, HD 1 pass Third Reading, seconded by Representative Evans.

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, adopting a pet is not a temporary solution. Having a family pet is a long commitment and comes with a lot of responsibility. Some cats can live 20 years, dogs on average 12 years. During that animal's life there may be difficult times when a family decides they are no longer able to own a pet. It is that family's responsibility to find that animal a decent place to live. And if they are unsuccessful they can go to SPCA or any of the numerous programs designed to place animals in new homes, foster care, or temporary homes. Abandoning an animal to fend for itself is not only morally wrong but it creates many health and other related problems that we are all aware of. The law as it currently stands does not deter people from abandoning their animals. I support this bill because it implements stronger penalties for abandoning animals and encourages pet owners to reach out to programs that can re-home the animals we tamed and bred throughout history to be our companions in life."

The motion was put to vote by the Chair and carried, and H.B. No. 2245, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMALS," passed Third Reading by a vote of 51 ayes.

At 3:32 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1517, HD 1
 H.B. No. 1592, HD 1
 H.B. No. 2448, HD 1
 H.B. No. 2295, HD 1
 H.B. No. 2296, HD 1
 H.B. No. 1581, HD 2
 H.B. No. 2079, HD 1
 H.B. No. 2245, HD 1

H.B. No. 1813, HD 1:

Representative Saiki moved that H.B. No. 1813, HD 1 pass Third Reading, seconded by Representative Evans.

Representative McDermott rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative McDermott's written remarks are as follows:

"I do not want terrorists or dangerous people to have firearms, any suggestion otherwise is offensive and wrong; however, the NRA is opposed to a secret government list, which a large number of Americans mistakenly end up on every year, being used to deny individuals their constitutional right without proper due process of the law.

"This legislation would affect law-abiding individuals who mistakenly end up on the list for unbeknownst reasons. The terrorist watchlist is not public record; both the list of individuals and the criteria used to determine who is added to the list are secret. Additionally, there is no known process for being taken off of the list. Due process is a pillar of the American justice system, and a constitutionally protected right cannot, and should not be taken away on the basis of a secretive or unsubstantiated accusation.

"Further, when utilizing the National Instant Check System (NICS), individuals on the terrorist watchlist are already queried and denied a firearm if they are found to be a prohibited person. Additionally, law enforcement is already notified every time a person on the terrorist watchlist attempts to purchase a firearm. Law enforcement is then able to make a case by case determination on the appropriate follow-up for each circumstance.

"For additional information please consult the NRA website and click on the more button for links to articles, etc.:

<https://www.nraila.org/issues/terrorist-watchlistno-fly-list>"

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

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

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

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

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

Representative Matsumoto's written remarks are as follows:

"I am voting for the bill but I do have strong reservations. While it's essential that we keep guns out of the hands of suspected terrorists, I have significant concerns that this bill will too easily bypass our system of due process and will too easily result in negatively affecting law-abiding citizens here in Hawaii. I take the safety and protection of the people of this state and this country very, very seriously. Nevertheless, there is much ambiguity, uncertainty, and constrained transparency surrounding the

circumstances by which a person is either included or removed from the terrorism watchlist."

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

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

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

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

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

Representative Fukumoto Chang's written remarks are as follows:

"Mr. Speaker, I have reservations on this measure. I would like to reference my remarks made on second reading on this measure on Thursday, March 3, 2016. Thank you."

Representative Tupola rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered." [Note: Representative Tupola later changed her vote to a no vote.]

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

Representative Jordan's written remarks are as follows:

"I would like to express my reservations to HB 1813, HD 1. First, I do not want terrorists or dangerous people to have firearms. However, as it stands, anyone can be administratively added to this screening database without due process of the law. This bill would violate a constitutional right without having been first convicted of a crime. Lastly, if someone is mistakenly added to the list, as written, this bill provides no recourse for correcting the violation."

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

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

"In support. Just very briefly, I know there were a lot of questions about how do you get on the NSA terrorist watchlist. The problem is that the National Security Agency is not going to let us know how you get on that watchlist because then terrorists will know how to avoid that. That's why I'm in support. Thank you."

Representative Ito rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered." [Note: Representative Ito later changed his vote to a no vote.]

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

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

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

"In support. The federal government spends probably tens of billions of dollars every year trying to figure out who, what factions and groups and extremists are trying to do harm to the United States of America. If you count the military budget, which is about a trillion dollars a year, a pretty good percentage of that is spent for the same purpose.

"One of the results of all that research, all that military spending, all those efforts to figure out who it is, who our enemies are, enemies in the sense that they're really trying to kill us, a lot of that information goes into the terrorist watchlist.

"At the state side, we spend all this money to figure out who our enemies are, and then when we find out, when we have a pretty good idea, when we spend all this time and effort, we have no legal basis for denying suspected terrorists of firearms. And it just makes no sense to have all that effort put into protecting the country from terrorists and then at the state level just say, well, you can buy a gun anyway, that's fine."

Representative McDermott rose to respond, stating:

"Still in opposition, Mr. Speaker. The FBI says people get on this list because of, quote, 'a reasonable suspicion'. According to the Washington Post, and I quote, 'may be family members or acquaintances of people with potential terrorist connections'. That's how you get 700,000 people on the terrorist watchlist, which is different from the no fly list, which the no fly list has 47,000 people on it, no fly list.

"Stephen Hayes of the Weekly Standard, who is a Fox News contributor, who is on the Bret Baier show, was put on the no fly list because of his travel patterns. Anybody can get on this doggone thing. And I have not been able to find out the procedures to get off it.

"I imagine if you are denied passage on an airplane because you have the same last name as someone else and hence you are on the no fly list, which means you are automatically on the terrorist watchlist, you can write a letter to the airline, I guess. But we know that 51,000 people have filed redress complaints. These are people who were denied flying, which is a much tighter threshold than the watchlist, which is 700,000 people.

"According to the ACLU, and Mr. Speaker I want you to note something, this is probably the only time I will ever quote the ACLU, okay, so I want you to know that. Historically. According to the ACLU, 280,000 people out of the 700,000 have no discernable affiliation with anybody remotely related to a terrorist.

"So I don't know what the criteria they're using is, because they're the federal government, seems very reluctant to classify something as a terrorist act when it clearly, well we watch TV, jeez that's terrorism. So I think that this is putting the burden on law-abiding citizens. Their constitutional right, clearly articulated in the Bill of Rights. And we're putting a burden on duly law-abiding citizens, when terrorists, guess what, they don't follow the law anyway.

"If a drunk driver goes and kills somebody, we don't blame the car, we blame the drunk driver. Here, a terrorist kills somebody, we blame the gun, not the terrorist. Terrorists are going to get guns. By this same notion, we should put anybody who wants to purchase a crock pot, as the Boston bombers did, on the terrorism watchlist. So for those reasons, I wasn't going to speak, but I did."

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

"Thank you. In support. I just ask to insert my comments from second reading," and the Chair "so ordered." (By reference only.)

Representative DeCoite rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative DeCoite's written remarks are as follows:

"Being on this list would allow law enforcement to remove weapons from otherwise law-abiding citizens, which my constituents think is unfair. We use our guns for hunting and gathering rights."

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

"Thank you Mr. Speaker. In support. I'm just going to say, my voting record on this issue is kind of clear. So to be in support is because it is the

war on terror, Mr. Speaker. Think about it. I know the list may get people, but at the end of the day, all it takes is one, Mr. Speaker. And if you can shut off a venue to weapons, Mr. Speaker, to prevent one San Bernardino. Then one incident, one time, this is one time where I will err on the side of caution. And the bottom line is because if you don't err on the side of caution, Mr. Speaker, that will be the next event that probably will mark history.

"So for that, I think that this bill should move forward. And I do give it my support because of the fact that the ramifications of just one, Mr. Speaker, could be a little mind boggling. Thank you."

Representative LoPresti rose to respond, stating:

"Still in support. I just wanted to quote, I think this is in the preamble. The Government Accountability Office, an investigative branch of Congress, found that between 2004 and 2014, in a 10-year period, suspected terrorists tried to buy firearms 2,233 times. And they succeeded 91% of the time. So I think it just makes sense that we try to keep a venue where they can acquire firearms away from them. Thank you, that's all."

Representative Creagan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Well, at the ACLU one, I would like the words of my friend and neighbor on the third floor, my Republican neighbor that is, to be recorded as my own. Thank you. In support with reservations," and the Chair "so ordered." (By reference only.)

Representative Thielen rose to respond, stating:

"Mr. Speaker, I'm still with reservations. What we were arguing with in the Judiciary Committee was to add a provision in the bill, like in California that they have in their law, that would allow someone to be able to regain their weapon when it's shown that they were wrongly on this list. We know there are over 200,000 people that shouldn't be on the list.

"So we were saying, please just put in a provision that in the event it's found that your name was listed wrongfully, you're one of those 200-plus-thousand people, here is the way that you go through it and you go through a court proceeding. California set this up. Hawaii hasn't, Hawaii has just said, we don't care. You're wrongfully on the list, your weapon is confiscated and you have no discernable way of regaining that. Well, that comes up against a constitutional right.

"So I think the bill is defective. I don't know if the Senate will look at it and make that correction, but it should. And then if a bill comes back that says, fine, you're on the list, you've got a way to show you're not on the list, you have a way to regain your weapon, then fine. Then I'm a full on up. Thank you."

Representative Matsumoto rose in support of the measure with reservations and asked that the remarks of Representative Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Rhoads rose to respond, stating:

"Mr. Speaker, still in support. These numbers that are being thrown around about who's on the list. The argument is, it's a secret list, but we know exactly how many people are on it. So, I don't think both of those, you can't know that it's a secret list and exactly how many people are on it. And then one of the previous speakers said that California has this procedure. California doesn't even have this law. So I don't know what that's about either. Thank you."

Representative Thielen rose, stating:

"Excuse me, just a point of personal privilege. I'd be glad to show the Chair of Judiciary this provision in the penal code in California after session. Thank you."

At 3:44 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:45 o'clock p.m.

The motion was put to vote by the Chair and carried, H.B. No. 1813, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 42 ayes to 9 noes, with Representatives Aquino, Creagan, Cullen, Evans, Fukumoto Chang, Hashem, Jordan, Kawakami, Lowen, Matsumoto, Pouha, Thielen, Tokioka, Ward and Yamane voting aye with reservations, and with Representatives Choy, DeCoite, Har, Ito, Kong, McDermott, Oshiro, Tsuji and Tupola voting no.

H.B. No. 2773, HD 1:

Representative Saiki moved that H.B. No. 2773, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In respectful opposition. Thank you. I very much appreciate the intent of the introducer. I think it comes from a very worthy place and I don't doubt his heart or the good motivations behind the introduction of this bill. I also want to preface my comments by saying that I appreciate the Judiciary Chair, I think he's made some good changes to the bill by refining the applicable population and reducing it to those who are non-felons. I have very much supported in the past prison reform. I will continue to do so. Like the introducer of this measure, I think we need to do far more to rehabilitate many of our incarcerated people.

"Where I differ on this bill in particular is I think that through voting everyone has the opportunity in this state and in this country to shape the social contract by which all of us must abide. And when it comes to populations that are incarcerated, even though I think we need to do more to rehabilitate them, what I can't justify, at least at this time, is equalizing the say for someone who has broken the social contract by which all our constituents and neighbors abide by which we shape, and then giving them the same right to elect people to then shape the social contract that they've broken.

"I think that that doesn't necessarily send the message that we want to send, which is that there's not really an incentive to abide by the common social contract that we all live by. I think this bill elicits a good discussion, though, about are we doing enough to attack some of the root causes that contribute to incarceration, whether that's reducing poverty or increasing access to quality education or economic opportunity. There are a lot of things that we can do to also reduce prison populations.

"But because I think there has to be some incentive and some reward for our constituents who abide by the social contract, that they should get to shape it. I'm not sure that a temporary suspension for someone who has broken the social contract should be treated the same as the rest of our constituents. So it is for those reasons that I just at this point respectfully cannot support this measure. Thank you."

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

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

"In support. I'm going to be quick because I spoke pretty robustly on second reading about the fiscal responsibility aspect of this, the public safety aspect of this. But let me actually agree with my colleague from Ewa, or at least speak in the same vein by quoting ACLU on this one.

"Voting demonstrates an individual's commitment to the institutions of American democracy.' So if you want to look at the root causes of why people commit crimes, why they end up in prison in the first place, it's often because they feel like the system doesn't work for them. They're often going against the system. How do you make them feel like they're

part of the system? Let them vote. 'Voting demonstrates an individual's commitment to the institutions of American democracy.'

"Research finds a link between voting participation and re-offense, people who voted after release from supervision, half as likely to be re-arrested as those who don't vote. Similar effects were found with people with a prior arrest. It's particularly important for reintegration of approximately 1,400 individuals incarcerated on the mainland from Hawaii who are so far away from their families and their communities.

"When we look at anything, let's start from a place of fundamental rights. Fifteenth Amendment right to vote. Why was that stripped away in the first place? If we are voting on that today, to strip that right from people, would you vote yes? And why would you vote yes? What problem are you trying to solve? If you wouldn't vote yes to denying people to vote, then support this bill.

"Historically, the reason why these laws were initiated in the first place was to discourage African Americans from voting. And this isn't disputed. Historically, felony disenfranchisement resulted in racially disproportionate policy that prevents today approximately 5.85 million Americans nationwide from voting.

"Here in Hawaii that's grossly overrepresented by Native Hawaiians. That's why this bill was requested by the Office of Hawaiian Affairs, that's why this bill was supported by the ACLU and other reintegration groups. So, when we talk about the root causes of what puts people in prison, that's exactly what this bill focuses on. Enfranchisement. Rights as an individual.

"Beyond just having compassion for these people that are trying to get back on their feet, trying to feel like they're members of society, ask yourselves what problem we're trying to address by denying them the vote. And ask yourselves, is it backfiring? Because realistically, beyond compassion, this bill is about fiscal responsibility. Because it costs over \$60,000 in Hawaii now to keep somebody in prison for a year. And public safety, because once people are voting and they feel like they're members of society, they're less likely to commit offences. So, I don't see the problem that we're trying to solve by denying individuals their Fifteenth Amendment right. Thank you."

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

"In opposition. Mr. Speaker, I share the previous speaker's recognition of the need to rehabilitate inmates. But I also recognize the need to punish criminal behavior by depriving inmates of certain freedoms, of certain rights. Among them, the right to vote.

"Our current law, as it should, I believe, reinstates the right to vote to inmates upon release on parole. When they return to our community as taxpaying citizens, they should enjoy the rights and freedoms of our fellow citizens. But I believe that as long as they are behind bars, they are wards of the State, they lose certain freedoms, and I believe that among those freedoms should be the right to vote.

"Forty-eight other states agree with us, that inmates behind bars should not be allowed to vote. And that is why I am opposed to this measure. Thank you."

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, it's not about compassion, it's about focusing on what's important. The obligation of this state is to rehabilitate offenders. Mr. Speaker, we find that the majority of the offenders who are on drugs, 80% have some drug-related offense. They don't get drug rehabilitation, we're at 10-20%. So let's point out what's important. Drug rehabilitation.

"The other thing is recidivism, and I'm really glad that Kat Brady is up here, reminds us that we've got a revolving door, unfortunately not as slow as it should be, but it's like 60% to 70% three years, five years out. We're not preparing them with job skills. When they get out, they go back to the

old habit, their old buddies, and it's an easy, a quick way if you don't get caught, you make big money quickly.

"So Mr. Speaker, the obligation to rehabilitate is to prepare them to come out. And then to come out is to be part of the community, be part of the leadership. The last thing I knew, it was this body that declares who can vote, at what age and with what citizenship. So there are certain things that are left to the people, not just the constitution. If you're not 18, you can't vote in the State of Hawaii. If you're not a U.S. citizen, you can't vote in the State of Hawaii.

"So this body has jurisdiction. But in terms of giving people the vote while they're incarcerated, thank God that this bill at least changed from the first draft where all felons got the ability to vote. Now it's narrowed down. So if we want to be compassionate, let's get them off of drugs, let's teach them job skills. Otherwise, we're being compassionate in the wrong direction. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. I would like to adopt the words of the speaker from Moanalua and Pearl City. And just a comment that we all have choices that we make in life. And whether it is as a Hawaiian or a non-Hawaiian, and we educate ourselves, we pick between right and wrong. And for those reasons, I feel that if you are incarcerated, that you should not have the right to vote. Thank you, Mr. Speaker," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In opposition. I had a different position, but listening to the I think very well argued point from the Representative from Red Hill/Moanalua, whose words I'd like incorporated into the Journal as my own, I was really moved to a 'no' position on this, unexpectedly. I appreciate the Representative from Kihei's I think well-articulated position, but I find myself more moved on the no. I'd also ask that the Public Safety Chair's word be entered into the Journal as if they were my own. Excellent points as well. Thank you," and the Chair "so ordered." (By reference only.)

At 3:56 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:00 o'clock p.m.

At this time, Representative Saiki moved that H.B. No. 2773, HD 1 be recommitted to the Committee on Judiciary, seconded by Representative Evans.

The motion was put to vote by the Chair and carried, and H.B. No. 2773, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTING," was recommitted to the Committee on Judiciary, with Representative Kawakami being excused.

H.B. No. 2645, HD 1:

Representative Saiki moved that H.B. No. 2645, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Tokioka rose to speak in support of the measure with reservations, stating:

"Thank you Mr. Speaker. With reservations. It's kind of funny, because on this page there are a lot of serious bills, and then you look at this bill. And I would just urge Members to look at the first ramseyered part of the bill and the effective date. It's a good change to all the serious bills that were on this page. Thank you, Mr. Speaker. "

Representative Jordan rose to speak in support of the measure with reservations, stating:

"Please note my reservations, Mr. Speaker. I didn't really prepare anything to speak, so I'm just going to speak. Earlier today we were speaking about releasing misdemeanant individuals from our prison system. And here we are, talking about how do you define a certain particular theft of a bicycle, and if it's been used in production of your income of some sort. Now that could be a young individual that has a paper route, that could be a courier, that could be somebody transporting to and from work. But how are we going to be able to prove that that thief, who just randomly walked by a bike and grabbed it and took it, didn't realize or realized that that person's only mode of transportation for income production was their bicycle.

"You know, I'm all about keeping low offenders out of jail as much as possible or keeping fines to a minimum. Now I admit, I bought a bicycle. And it was worth \$1,500, but I purchased it for \$800, and I would have been highly upset if that bicycle was stolen. Like with my motorcycle, I park it in my house or I put it in a safe place. And unfortunately, some people have to park their bicycles on sidewalks to a fake little bicycle with a chain and hope it's there when they come back. And I totally understand that, but I really don't think we need to move this measure. I have serious concerns with it at this point in time.

"Reviewing the testimony, really, only from the city prosecutor? And they didn't support it. And a couple other people that supported the measure. I really, like the Representative before me, well this is kind of a light, airy, in the middle of this late day. But I think we have more serious things to worry about than this. And although it does mean something to certain people, I'm just not sure if this is the right mechanism for it, and we should leave those decisions up to our judges. Thank you, Mr. Speaker."

Representative Ing rose to speak in support of the measure with reservations, stating:

"Regrettably, I stand in reservations. This is an ability that a judge already has in a bike theft, to set sentences based on the nature of what it means to the person, to the victim, one. Anything that has a possibility to put more people in prison goes against my smart on crime philosophy. However, if this body does choose to pass this bill, I move that we name it Lowen's Law."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. This bill belongs in a European parliament where they have bikeways all over the place, or maybe in San Francisco. But in this place where we have the least amount of bikes to get to work, it seems to be out of character. Or it should be in a third world country, where people really gotta use a bicycle to get to work. But to have it here, I think we're making fun of the legislative process. Thank you."

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

"Maybe this is like the debates where if someone says your name you get to stand up and respond. In support. Maybe this bill needs some work, but I do think for those of us who have had our bikes stolen, it's very frustrating and we wish the city and county would do more to crack down on bike theft."

Representative Onishi rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. I too have a problem with trying to figure out how they're going to identify that the person who stole the bike knew that it was the individual's primary mode of transportation. So it's like if you knew, you wouldn't steal it. So I have reservations on this bill."

Representative Brower rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. To me this is the natural progression. Once you allow a bike lane on King Street, it just keeps

going. But that being said, I have had a bicycle stolen from me in Waikiki. And the person who stole it certainly should lose their voting rights."

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

"Thank you. I'd like to second the Representative from Waikiki. I rise in support. Just very briefly, I wanted to just point out, contrary to I think the experience perhaps from the Representative from Waikiki, and I mentioned these stats earlier today. For the average not-so-young generation, perhaps, vehicular transit is obviously the primary mode of transportation.

"But for newer generations, particularly those that are being priced out of paradise, priced out of being able to afford cars, being able to afford insurance, being able to afford gas on a daily basis, we are seeing a tremendous switch to alternative forms of transit, predominantly by bike. This is something that is taking hold. And I will cite this stat again, we've had a significant swing in ownership over the last 15 years. Fifteen years ago, 99% of all 25- to 29-year-olds had a driver's license. Today that's down to 65% because people are taking alternative forms of transit.

"The biggest problem to that, other than King Street, secondly, is the threat of theft. Because if you rely on a bike for transportation on a daily basis getting to and from work and all of a sudden it's stolen, you could be out not only a few hundred bucks for a bike or a few thousand dollars for a bike, but you're out of work until you can get that replaced.

"And for those of us who are struggling day to day with rent and everything else, suddenly pulling down all kinds of money to pay for a new bike, which typically you don't have the same kind of ability to do, can be a significant detriment.

"And so anything we can do, and I'd love to see this much stronger, quite honestly, to have a separate statute that elevates this to the level of auto theft or some equivalent thereof, just across the board, period. Intent notwithstanding. But this is one step that makes it just a little bit harder for people, and a little bit safer and more comfortable for folks to actually use their bikes, who have no other choice and no other way to get around. Thank you very much."

Representative DeCoite rose to speak in support of the measure with reservations, stating:

"With reservations and just a short comment. This is one thing we don't have a problem with on Molokai, because if you did take somebody's bike, we would know about it. Thank you."

Representative Brower rose to respond, stating:

"Thank you, Mr. Speaker. Briefly, all bikes are important. I believe in equality of all bikes. So what we're saying is, just make the law stronger for any mode of transportation or any bike. Whether it's the bicycle of a child that gets stolen or a working bicycle. Recreational bicycle, working bicycle, they're all important."

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

"Thank you, Mr. Speaker. I'm going to be voting against this bill. When I first saw it, I thought there was a chance of working on it further because it obviously needs some work. But the problem I face today is that it's upon approval, it's a clean bill, clean date. So that's why I think I need to stand.

"Looking at the language of the bill, basically what it does, it mandates that a court will look at the fact of the defendant, whether he or she had knowledge that the bike was an individual's primary mode of transportation to and from work.

"Now whatever that means, an individual's primary mode of transportation to and from work, is something that probably lends itself to various interpretations or misconstruing or even over-broad application. So

I think that language itself needs to be fixed, a little more certainty or predictability and due process concerns need to be addressed in that.

"The second concern was raised by the Representative from Waikiki, is that this only applies to those bicycles that are for the purposes of transportation to and from work, or that it was necessary for the performance of the individual employment, i.e. newspaper route or delivery route or courier, using that bike for their own transportation mode.

"But the language here, it just raises all kinds of problems on how you would apply this in a fair manner to a person charged. It mandates that it's an aggravating factor. Whether it's a first degree Class B felony, punishable by five years, or a Class C felony, or a third degree misdemeanor, or even a petty misdemeanor.

"So there are some serious consequences to this seemingly innocuous bill. Again, it's upon approval, so it's a clean bill. And I don't know if the Senate is going to spend much time on this, and hopefully they do and not accept it as is and it goes up to the Governor, because I think then the Governor might be faced with pondering what it means when it states that the intentional theft of bicycle that served as an individual's primary mode of transportation to and from work or that was necessary for the performance of the individual's employment. Thank you, Mr. Speaker."

Representative Lowen rose to respond, stating:

"Thank you. I just thought of a couple of other things I want to add. I agree it's maybe difficult to figure out which bikes are people's primary means of transport or used for commuting. But I would just point out when people do commute, I mean if you own a bike in Honolulu especially, you are pretty much guaranteed to get it stolen, I don't know, you could figure out a time frame like once every 18 months. We would never accept that for motor vehicles.

"We have no requirements in the law for safe bike parking at condos, at government buildings, at places like the mall, at UH Manoa or other UH campuses, and it's something we need to look at. So maybe it's a matter of looking at either taking measures to do something about that, or increasing the penalties for all bike theft and taking it seriously. Because it happens all the time and it's very difficult for people when that's their primary mode of transport."

Representative Ing rose to respond, stating:

"Still in reservations. I want to adopt the words of the previous speaker," and the Chair "so ordered." (By reference only.)

Representative Ing continued, stating:

"The thing is, yes, we should look at making our city better for bikers. Through harsher penalties? Probably not the way. Why do people steal a bike? If you had a bike, you wouldn't need a bike. It's usually poor people, it's people who really need fast money. The last thing we need to be doing is punishing that sort of desperate situation by locking these people up or making stiffer penalties.

"So, in the interest of being smart on crime, that's where my reservations come from. But yes, we should look a lot more holistically in making this a more bike friendly environment. Thank you."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I wasn't going to speak on this, but support with reservations. Kind of an underlying theme. This bill is well-intentioned, a lofty goal. It's true, a lot of people use bicycles for transportation to work, life, recreation. We should be looking seriously at a macro system of punishment for those who steal bikes.

"But when you start creating special punishments for classes of people, certain classes of people, differentiating them by class, especially on the fuzzy level of intent, things start to get very, I guess, questionable for me.

Because I think that's a constitutional problem of equal protection under the laws.

"If I remember correctly, that is something afforded to the Representative from Waikiki's point. Red bike, blue bike, college bike, work bike, all shall be treated equally under the law. And to actually pass something forward that says, quite frankly, we're going to be unconstitutional on this issue, is a little worrisome to me. I hope the Senate takes a good look and gets to the underlying lofty goal, which is enhanced penalties for all bicycle thefts. Thank you."

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

Representative Jordan's written remarks are as follows:

"I would like to express my reservations to HB 2645, HD 1, which establishes the offense of theft of a bicycle in recognition of the serious nature of an act that may deprive its victim of the victim's sole means of transportation. While this bill is well-intentioned, the current theft statutes adequately covers all forms of theft of personal property including bicycles."

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

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

Representative Tupola rose to speak in support of the measure with reservations, stating:

"Thank you, with reservations. Just a quick comment. Because this is a non-violent crime and it's going to be a petty misdemeanor, there's a good chance they could just get let go when they get to prison. So this is one of those crimes that's going to happen over and over again. So I see that it's a problem, but we've got to think about the way we are making these laws. Thank you." [Note: Representative Tupola later changed her vote to a no vote.]

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

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

"Thank you, Mr. Speaker. I feel kind of compelled to speak. We have a law on theft, and I think its \$300 right now, until we finally pass the bill of \$750 for theft. But right now its \$300 and it's a Class C felony, and Class C felony is five years. So I think we do have a law that should discourage people from stealing. And that would be considered a theft, when you steal a bike. And that's a Class C felony, five years. Thank you."

The motion was put to vote by the Chair and carried, H.B. No. 2645, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THEFT OF BICYCLE," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Brower, DeCoite, Ichiyama, Ing, Jordan, Matsumoto, McKelvey, Onishi, Say, Tokioka and Ward voting aye with reservations, and with Representatives Belatti, Kong, McDermott, Morikawa, Oshiro and Tupola voting no.

H.B. No. 625, HD 1:

Representative Saiki moved that H.B. No. 625, HD 1 pass Third Reading, seconded by Representative Evans.

Representative McDermott rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative McDermott's written remarks are as follows:

"I oppose HB 625 because it would expand the class of prohibited possessors to include certain misdemeanor crimes. Constitutional rights are generally restricted only upon conviction of a felony. The reasons for this are two-fold. It limits restrictions on constitutional rights to only the most serious offenses, and, perhaps more importantly, felony convictions provide greater procedural protections to the accused, which results in more reliable convictions. The right to keep and bear arms should not be treated as a second-class right and should be restricted only upon conviction of a felony like the right to vote, to serve on a jury, and to hold public office."

"Under this bill, sending unwanted text messages and emails could qualify someone for misdemeanor stalking and possibly result in an individual being denied a constitutional right. Further, by including a new category of prohibited possessors for certain misdemeanor crimes, some citizens who may have taken a plea deal years ago will also become prohibited overnight and not been apprised of this additional penalty when taking their deal or fighting their case. Gun owners may not even know they are prohibited under this new statute until they renew their permit and discover that they are now in violation of the law due to a misdemeanor crime that occurred many years ago."

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, there is a clear link between firearms and crimes such as sexual assault, domestic violence, and stalking, and this link is supported by factual data. Seventy-six percent of women murdered and 85% of women who survived a murder attempt by a current or former intimate partner experienced stalking in the year preceding the murder. In Hawaii, over 41% of homicides of women are intimate partner and domestic violence related, and of those, over 30% were committed with a gun. The Department of Justice has estimated 139,000 stalking victims were attacked with weapons in a 12 month period, in which nearly a quarter of instances, the weapon was a handgun. Five women are murdered with a gun each day in the United States. These are not random acts of violence, but often occur in the context of intimate partner violence. The logical conclusion from these facts are clear – barring people convicted of violent crimes from possessing firearms will save lives and in no way interferes with law-abiding citizens from exercising their Second Amendment right to bear arms."

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

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

Representative Oshiro rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I stand in opposition of House Bill No. 625, House Draft 1.

"In light of the potential and serious implications associated with this measure as drafted and constitutional implications that may impose upon an individual's right to own, possess or control a firearm or any ammunition, I state my opposition as follows.

"HB 625, HD 1 seeks to include the criminal offenses of misdemeanor stalking and sexual assault among the offenses that disqualify a person from owning, possessing, or controlling any firearm or ammunition.

"As referenced in the HSCR 723-16, your Committee on Judiciary expressed that 'sexual assault in the fourth degree encompasses conduct by the perpetrator that is threatening and is committed with the intent to compel sexual conduct, expose oneself in a way that is "likely to alarm the other person or put the other person in fear of bodily injury," or trespass for the purpose of "surreptitious surveillance."'

"In addition, your Committee further states that harassment by stalking requires that the offender act with intent to harass, annoy, or alarm the victim. Though the offending conduct may include nonconsensual contact in the form of text messages or emails, the perpetrator must be shown to have acted with the intent to cause the result of harassing, annoying, or alarming the victim.

"In addition, pursuant to §711-1106.5, a person may also commit the offense of harassment by stalking if in reckless disregard of the risk thereof, that person engages in a course of conduct involving pursuit, surveillance, or nonconsensual contact upon the other person on more than one occasion without legitimate purpose.

"It is without doubt that crimes related to stalking, harassment, and sexual assault in the fourth degree are extremely serious and the appropriate penalties should be imposed upon those that are proven to have committed such offenses. However, a reading of the language utilized above by your Committee could conceivably apply to an inadvertent and unintended encounter between individuals, accidental physical contact, misconstrued gestures, or misunderstanding of a situation. To further complicate matters, in our age of texting and e-mails, our written text versus our spoken word may – and often are – be taken out of context by the recipient. A light-hearted joke, picture, or perhaps even a chain letter, may be found to be highly offensive to someone else. E-mails and texts may be sent in mass format, contain string attachments, and may be sent in a distant time from when the original sender initially instigated the text or e-mail. The overreaching effect in this regard will lead to absurd results leading to gun disqualification.

"The terms 'alarm to the person', 'annoy', or 'conduct involving pursuit' were not clarified by the Committee. However, these terms clearly contain a subjective component, which could result in an entirely unwarranted and wrongful denial or seizure of a firearm or ammunition based upon another's mere allegation that they have been annoyed. The use of less concise and vague language as utilized in House Bill 625, HD 1 can result in inappropriate disqualification from gun ownership.

"Here, in its application, HB 625, HD 1 could encompass an unwarranted deprivation of one's constitutional right to bear arms. Because constitutional deprivations by the State should be taken very seriously and subject to understandable, concise, and coherent regulations in relation to qualifications of owning, possessing, or controlling any firearm or ammunition, I respectfully stand in opposition."

The motion was put to vote by the Chair and carried, H.B. No. 625, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Tokioka and Ward voting aye with reservations, and with Representatives Choy, DeCoite, Har, Ito, Kong, McDermott, Oshiro and Tupola voting no.

H.B. No. 626, HD 1:

Representative Saiki moved that H.B. No. 626, HD 1 pass Third Reading, seconded by Representative Evans.

Representative McDermott rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative McDermott's written remarks are as follows:

"I oppose HB 626 because of the overly broad nature of the restriction. HB 626 does not set a limit for the amount of alcohol an individual can legally consume while in possession of a firearm as we do when setting restrictions in other areas of the law, such as driving. Without this specification, any amount of alcohol consumption while in possession of a firearm could constitute a crime. Individuals who possess a firearm and have had a couple sips of wine or anything containing alcohol, like Nyquil, could be in violation of the law."

Representative LoPresti rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, I stand in support of this bill which would enact a law that currently exists in 46 other states prohibiting the handling of a firearm while intoxicated. Several studies have established the relationship between alcohol abuse and firearm related crimes. Just as an individual is severely impaired while operating a car under the influence of alcohol, these studies found that similar failures in judgment and impulse control manifest during the operation of a firearm. The simple fact is that people have died when alcohol and driving are involved, and people have died when alcohol and firearms are involved.

"Of 395,366 firearm-related deaths reported in the United States in a 12 year period, about one third are thought to have involved alcohol. In 2007, 34.5% of suicide and homicide victims in the United States had alcohol in their systems at the time of death, and 60% of those were considered acutely intoxicated. The facts support the conclusion that there is a clear link between alcohol consumption and gun related violence. That is why I support House Bill 625."

Representative Oshiro rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in opposition to House Bill No. 626, House Draft 1. This bill would prohibit any person from physically possessing a firearm outside of a residence, a temporary residence, or place of sojourn while consuming any alcohol. Violations of this prohibition would be a petty misdemeanor.

"According to the committee report, your Committee on Judiciary intended that 'actual physical possession' means 'that the firearm is on the person, in the person's holster, belt, hand, briefcase, bag, backpack, or within arm's length.'

"As I read the bill, if I unholster my firearm and set it aside beyond an arm's length, I would be free to consume alcohol. I would only be in violation of this prohibition if I enter an area within an arm's length of the firearm while I am consuming the alcohol. The bill does not prohibit me from having alcohol in my system while I physically possess the firearm. In fact, I could be legally intoxicated while in physical possession of the firearm and still not be in violation of the law as proposed under this bill. So long as I don't consume the alcohol while in physical possession of the firearm I would be in compliance with the law.

"In addition, there are many products that contain alcohol. If a person carrying a firearm in a holster consumes a teaspoon of cough medicine, the person would be in violation. If the person carrying a firearm in a holster consumes certain candy such as a bon bon or premium chocolate, the person would be in violation. Arguably, if a person carrying a firearm removes his or her glasses and uses a chemical spray to clean the glasses, the person would be in violation.

"It would seem that this bill stems from the infamous *Deedy* case in which a law enforcement agent was involved in a shooting when the agent was apparently intoxicated. However, nowhere in this bill does it establish a standard of intoxication for a violation to occur. Neither does this bill establish a zero tolerance for alcohol in a person's system while in physical possession of a firearm. All it prohibits is the CONSUMPTION of alcohol while in PHYSICAL POSSESSION of a firearm.

"This bill is overbroad, vague, and does little to protect the general public. For these reasons, I urge my fellow colleagues to oppose this measure."

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

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

"Thank you, Mr. Speaker. In support. We've dealt with this issue a couple times before this year. One of the criticisms that's been leveled at

these alcohol and guns bills is that they're not tightly written enough. And we have lots of other states to look at in terms of drafting. And I just want to say that compared to most states, and we've looked at quite a few of them in our office, this is a paradigm of drafting virtue.

"Let me just read Missouri's, this is the operating language for Missouri. 'Possess or discharges a firearm or projectile weapon while intoxicated.' That's it. No way to say how intoxicated, no way to check how you're intoxicated. Possesses? What does that mean? Does that mean you just own one, or is it close to you, is it within arm's reach, is it in your car?"

"These are really, from a lawyer's perspective, these are very imprecise terms. But this bill, apparently, is perfectly constitutional, holds up just fine. It's been on the books I don't know how long but quite a while, I'm pretty sure. And I would just say that this bill has been very carefully drafted in comparison to most, if not all of the other anti-alcohol and gun bills.

"And I would also just add that alcohol and guns, not a good combination. You shouldn't drink and drive, you shouldn't mess with your guns if you're drunk either. Thanks."

The motion was put to vote by the Chair and carried, H.B. No. 626, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE POSSESSION OF FIREARMS WHILE CONSUMING OR UNDER THE INFLUENCE OF AN INTOXICANT," passed Third Reading by a vote of 34 ayes to 17 noes, with Representative Ward voting aye with reservations, and with Representatives Aquino, Choy, Cullen, DeCoite, Fukumoto Chang, Har, Kawakami, Kong, Lowen, Matsumoto, McDermott, McKelvey, Oshiro, Pouha, Tokioka, Tupola and Yamane voting no.

H.B. No. 1527, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1527, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Fukumoto Chang, Matsumoto, McDermott, Pouha and Thielen voting no.

At 4:20 o'clock p.m., Representative Kawakami requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:21 o'clock p.m.

At 4:25 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1813, HD 1
H.B. No. 2645, HD 1
H.B. No. 625, HD 1
H.B. No. 626, HD 1
H.B. No. 1527, HD 1

H.B. No. 1702, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1702, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

H.B. No. 1735, HD 1:

Representative Saiki moved that H.B. No. 1735, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Ward rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in opposition.

"This bill is nothing more than a study to create bad legislation. Property taxes are the only taxes not rising in Hawaii. Thankfully, the fact that we have one of the lowest property tax rates in the nation, helps to offset our high cost of living. Our school system is centralized and we don't use property tax revenues to fund our schools, so it's not as if we need to raise property taxes to fund our schools.

"Mr. Speaker, the point is, this bill doesn't pass the 'smell test', it seems like a bill designed to facilitate a 'money grab' by the government. We already have many local residents who have difficulty paying their property taxes, due to rising home values across the board. If the study gives the green light to raise property taxes, this would only compound that problem. The counties would bring in more money through more tax revenue, but our *kama'aina* would then struggle with an even higher cost of living.

"Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 1735, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROPERTY TAXES," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives McDermott, Thielen, Tupola and Ward voting no.

H.B. No. 2217, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2217, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDING OR REPEALING HAWAII REAL PROPERTY TAX LAWS FOR THE PURPOSE OF DELETING OBSOLETE OR UNNECESSARY PROVISIONS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2218, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2218, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDING OR REPEALING HAWAII INCOME TAX LAWS FOR THE PURPOSE OF DELETING OBSOLETE OR UNNECESSARY PROVISIONS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2527, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2527, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE CONSTRUCTION PROJECTS," passed Third Reading by a vote of 51 ayes.

At 4:27 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1702, HD 1
H.B. No. 1735, HD 1
H.B. No. 2217, HD 1
H.B. No. 2218, HD 1
H.B. No. 2527, HD 1

H.B. No. 1355, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1355, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FISCAL RESPONSIBILITY," passed Third Reading by a vote of 51 ayes.

H.B. No. 1684, HD 2:

Representative Saiki moved that H.B. No. 1684, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative Jordan's written remarks are as follows:

"I would like to express my reservations to HB 1684, HD 2, which exempts the operations of the Natural Energy Laboratory of Hawaii Authority (NELHA) from bidding requirements for concessions or space on public property. NELHA sits on and is ceded lands. As a condition of statehood, the State is mandated to hold the lands and income therefrom as a public trust. Thus, the operations of NELHA should not be exempt from bidding requirements in order to ensure that the greatest amount of revenue is derived from these lands."

The motion was put to vote by the Chair and carried, and H.B. No. 1684, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

H.B. No. 2166, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2166, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2465, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2465, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2317, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2317, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE FUND," passed Third Reading by a vote of 51 ayes.

At 4:29 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 1355, HD 1
H.B. No. 1684, HD 2
H.B. No. 2166, HD 1
H.B. No. 2465, HD 1
H.B. No. 2317, HD 1

H.B. No. 2415:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2415, entitled: "A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2146, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 2146, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WAILUKU PROPERTIES," passed Third Reading by a vote of 51 ayes.

H.B. No. 2576, HD 1:

Representative Saiki moved that H.B. No. 2576, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, H.B. No. 2576, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NATURAL DISASTER PROTECTION," passed Third Reading by a vote of 51 ayes, with Representative Oshiro voting aye with reservations.

H.B. No. 2006, HD 1:

Representative Saiki moved that H.B. No. 2006, HD 1 pass Third Reading, seconded by Representative Evans.

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

Representative Tupola rose to disclose a potential conflict of interest, stating:

"Ruling on a potential conflict. My father is a judge," and the Chair ruled, "no conflict."

Representative Tupola continued to speak in opposition to the measure, stating:

"Please note my opposition and a few comments. So from what I understand, there are possible constitutional contract clause violations with this bill as currently written. In the committee, the Judiciary testified that they weren't aware that a bill like this has ever been written for any other group of employees for contract changes already agreed upon for retirement. Meaning that this bill changes retirement benefits for judges who are already agreed upon with their contract for retirement.

"Thirdly, the ERS testified that there is no significant fiscal impact if we do this. They said that they would need to create a new tier of beneficiaries, a new computer code for this small class of employees, and it would affect approximately only 80 judges.

"Fourth, it's changing the retirement age to 60 and reducing the benefit multiplier, which also would discourage new judges from entering an understaffed field and encourage older judges to retire early rather than face reduced benefits.

"Fifth, we would lose our most experienced judges who would train the next generation coming.

"Sixth, in prior legislative session, the need for experienced judges was so great that we introduced bills to allow retired judges to serve as honorary members, which seems counterintuitive to what we're doing now.

"And lastly, there was zero testifiers offering testimonies in support for this bill. And I think that the part that hit me the most was running into the Chief Justice last night. And I asked him, hey what's going on with this judges bill? And he just hung his head low, and he said, you know, this is going to put us in a really bad spot. You know we've always tried to be respectful to the Legislature, but this would force many of our judges into retirement, and we don't have a lot to replace them.

"The thing I think that affects me more is not so much that I know a lot of them, because I grew up with them, but it's because I know that, where their heart is. Many of them have gone above and beyond while they served as judges. Ever since I was young, people have always come to tell us what an impact our father has had on their family. And many of the other family court judges have gone above and beyond with the No Hope in Dope program, the drug free court, the parole board, some of them volunteer for that.

"Judge Town is retired and he still runs non-profits for youth, because they love these kids. Because they see them every day in court and they want to help more. And it concerns me because there needs to be a way for them to mentor the next generation coming, but why would they come if there is no incentive for them to become a judge?

"And many of these men have had so many, and women, Judge Wong is a wonderful woman too. Many of them have had such a huge impact on families and lives, that we're not considering what's going to happen if we

lose that oldest bracket of wisdom and knowledge and love that's been caring for the people of Hawaii for many, many years.

"My concern is the hole that it's going to leave. Because I know that it's not only impacted my life, because I really don't know what my dad does at work, he doesn't talk about it. But so many people have told me, of what kind of impact they've had because they've gone above and beyond doing what they've been asked to do because they know the impacts that all of these things have done to families, specifically in the family court.

"And so I feel strongly that this is not the direction to go. And I feel for the Chief Justice, because he's a good man, and he's trying so hard to do good things for Hawaii. And so I'd hope we would consider the fact that this is affecting people who never had a chance or a say. And all of a sudden now all of their retirement benefits are changed, and now at least 80 if not more will be forced into retirement.

"This is something really big for our courts. And we're talking about laws that we want them to enforce. And so we need to be aware that some of these men, they don't just sit here on Oahu. They fly to other islands and they help in other courts, because that's how much need we have."

Representative Kong rose to yield his time, and the Chair "so ordered."

Representative Tupola continued, stating:

"They frequently have to go and sit on court cases on other islands because we don't have enough. And so those are my concerns and my opposition. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, a contract is a contract. To go inside of a contract and change it is basically illegal. And actually the judges have already judged on this, and these are the judges that we're trying to cut back on. So I think the saying is, judge not that you be not judged. This is not a good bill."

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

"Thank you, Mr. Speaker. In support. There is no contract. The Legislature often changes, it's like any type of benefits. So for instance in the private sector, if you get an HMSA plan, the following year if the employer said, okay you're going to get a Kaiser plan, there is no contract, these are not vested rights.

"The other thing is, what we need to realize is the pension is closely related to the pay. A while back, judges in Hawaii were one of the lowest paid in the nation. And there was a big push to increase the judges' salaries. So that was the reason why we couldn't retain a lot of the judges. So there was a huge push to increase substantially the pay of the judges.

"In the last salary commission, one of the discussions that a few of the legislators had was, because there was a huge push to increase salary, we need to make it equitable and readjust the pension calculation. As of today, Hawaii judges are second highest paid in the nation. So before we go into the next salary commission, we need to do what last time we failed to do, is look at the pension calculation. Thank you."

Representative Say rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in strong opposition to HB 2006, HD 1, 'Relating to the Employees' Retirement System,' which seeks to reduce retirement benefits for judges in the system today and in the future.

"The Employees' Retirement System feels that it will create unnecessary cost to the operations of the system. The ERS feels this bill will create the need to 'rework' its system for a small number of members. The ERS states that this unique segment (of a current membership group of approximately 80 judges) will require computer modification and counseling resources

cost, which from a business perspective, the ERS believes it would be out of proportion to the members affected by this legislation. And this legislation will serve as a disincentive to qualified persons who might otherwise apply for judgeships or appointments to different courts in the future.

"It is for these reasons that I strongly oppose this measure. Thank you."

The motion was put to vote by the Chair and carried, H.B. No. 2006, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 44 ayes to 7 noes, with Representative Thielen voting aye with reservations, and with Representatives Har, McDermott, Oshiro, Say, Tokioka, Tupola and Ward voting no.

H.B. No. 2466, HD 1:

Representative Saiki moved that H.B. No. 2466, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Cachola rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, in Finance I voted with reservations. I'll be voting again with reservations, and that is to protect the community health center, to be sure that they will get their necessary funding. And the way we discussed it in Finance, there is a likelihood that even with meeting all the necessary things that they have to do, by changing it there is a possibility that the community health center might end up not getting their funding. Thank you."

The motion was put to vote by the Chair and carried, H.B. No. 2466, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Cachola voting aye with reservations, and with Representative Thielen voting no.

H.B. No. 1850, HD 1:

Representative Saiki moved that H.B. No. 1850, HD 1 pass Third Reading, seconded by Representative Evans.

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you very much, Mr. Speaker. In support, but I do have some reservations that were communicated to me by my constituents. I want to just put them on the record as this bill moves forward. It's a role of the counties to enforce zoning for transient vacation rentals, that's their onus. So I don't think this bill precludes that.

"However, a concern is that the way the bill is drafted, it could be aiding and abetting a county zoning violation. So that was kind of the concern that my constituents wanted me to flag, and that's what I'm doing. So, thank you."

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

"I was a no on second reading and I'm still a no for the reasons just articulated by the previous speaker. And I ask that my comments on second reading be inserted into the Journal. Thank you," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, I rise in opposition. I think this bill lacks transparency and confuses the definition of what is half legal versus what is half illegal. Like my colleague from Maui, I agree that Airbnb wants to allow halfway legal businesses to continue. And in so doing, allows or condones conspiracy to allow crimes to be committed.

"Airbnb is willing to collect and pay taxes for the State, TAT taxes and GET taxes for the state government. But Airbnb is willing to hide illegal B&Bs from county government and not disclose to anyone, including the state tax office, who is paying and how much.

"The state tax office does have non-judicial subpoena powers, but the counties do not have non-judicial subpoena powers. Further, the state tax department cannot disclose confidential tax information to the counties because the counties are not using that information for tax collection purposes. They are using, or would use that money for county zoning purposes.

"So Airbnb is saying, take it or leave it, we have sort of a model of operating that we use in other states and in something like 40 or 50 different countries. You have to create a state law that fits our business model. Not the opposite. We want to maintain secrecy, we want to maintain an ability to do business, we want to maintain certain confidentialities. And by the way, we don't care, we are not interested in finding out whether some of our business associates are operating illegally.

"Now note, Airbnb would have one GET tax license, one TAT license. The individual B&B people who work with Airbnb would not have to have a separate GET license, not have a separate TAT license. So there is a very close relationship between Airbnb and the individual bed and breakfasts.

"At the same time, when you ask, would you condone an illegal business? Airbnb says, that's not our business, that's the individual B&B operator's business. Which happens to be the same business that uses the same TAT number. So for those reasons, I'm opposed. Thank you."

Representative Keohokalole rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keohokalole's written remarks are as follows:

"I think this bill authorizes vacation rental hosts to aid and abet the commission of violations of county ordinances. I think this dampens the effectiveness of county ordinances that prohibit the existence of vacation rentals and bed and breakfast establishments. I think it also pressures the county to adopt policies that proponents of this bill are pushing for at the county level. I do not think it is good public policy for this body to sanction activity that a different branch of government has deemed improper. I believe the proponents of this bill should first approach this issue before the body with appropriate jurisdiction, before attempting an end-run. Thank you."

Representative Ward rose in opposition to the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise strong opposition.

"This bill is a band-aid fix for an internal bleed. The problem in Hawaii with vacation rentals is not the lack of tax revenues, although we all appreciate revenue. The problem is that the rentals are illegal to begin with. They don't have permits. They don't abide by any of the necessary requirements for rentals. They flat out don't follow any of the county or state laws that apply to them.

"What this bill does is hide our internal bleeding from a lack of effective enforcement of state and county law with the band-aid solution of collecting taxes. This results in thinking we have cleaned and dressed our flesh wound with this band-aid. But, Mr. Speaker, we are, in fact, still bleeding out. These rentals may be sending a bit of money our way, but they remain noncompliant and illegal.

"You can't fix illegality with tax collection. You need to fix both. This bill doesn't do that. We need to stop the bleeding and to do so we need stricter compliance requirements, at which point we can worry about the taxes. But until then, Mr. Speaker, this bill just makes it worse.

"Thank you, Mr. Speaker."

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

"Also a no vote and the words of the Representative from Kaimuki be incorporated as my own," and the Chair "so ordered." (By reference only.)

Representative Say continued, stating:

"Secondly, this particular issue has been brought up at our neighborhood boards. The Saint Louis Heights, Diamond Head, Kapahulu neighborhood boards have questioned some of these B&Bs that are in our residential districts as a business that is not reporting anything.

"I think the Representative from Kaimuki is absolutely correct. We are allowing illegal businesses to occur in residential zoned areas. And it is for this reason that I am totally opposed to this measure."

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

"Thank you, Mr. Speaker. In strong support. I feel this is a long standing issue and we have an opportunity to act. I just worry that we might make perfection the enemy of good. Thank you, Mr. Speaker."

Representative Cachola rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, voting with reservations. I spoke during the Finance Committee meeting that it could be tightened up to a point that it can possibly work. The way it's being written right now, there's a lot of things to be corrected. Hopefully as we go through the process we will be able to tighten it up.

"One of the things that I pointed out was for Airbnb to make sure to check with the counties that their clients are legally bed and breakfasts as well as transient vacation. Sometimes they just get anybody as their clients, and it's not legal in the eyes of the city and county or the counties involved.

"So with that, I am voting with reservations. Hopefully as we go forward, it will be tightened up and make it more effective. Thank you."

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

Representative DeCoite's written remarks are as follows:

"This bill will enable illegal vacation rental businesses with or without a TAT or GET license to advertise with vacation rental broker's license ID. This would take away the incentive for them to obtain a TAT license and to pay the taxes that they would owe to the State. It will be difficult for inspectors to identify these businesses and determine if they are legal or illegal. With individuals allowed to rent out single rooms in these homes or oftentimes the entirety of the home, and the amount that is charged per night, there is no doubt that this a lucrative business which could drive down the availability of homes that could be rented."

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

"Strong support. If anybody here used Airbnb, they'd realize how simple it is, but how not simple it is to pay taxes. So if you're, let's say I want to rent out a room in my house. I can just register Airbnb very easily, post it, somebody can come in the next day, pay me. And they leave it on you, the onus is on you as an individual to pay taxes, not Airbnb. That's how it is currently in Hawaii.

"That's wrong. Like, obviously not every contractor, not every individual renting out a place or a room is going to do that. That's a lot of money we're leaving on the table as a state. In other states, and what Airbnb is trying to do here is they're going to say, when the client pays you, they're going to automatically take the taxes out. Sounds great. Sounds great for

the client, sounds great for the person staying in your room, and it's great for the State. I don't understand why we'd be against that.

"Now if there are illegal rentals out there, which there are many, don't get me wrong, we should crack down on that, deliberate how we can fix that.

"I think one union said there's 30% of the Airbnb and VRBO rentals here are real estate companies that are making a lot of money off the backs of the working class. Perhaps, but what about the other 70%? I know from experience that in Kihei, a lot of my constituents are thinking about or are renting using these websites. They're doing it because their rents have gone up or their mortgages have gone up, and they're middle class families that need a little extra income just to make it or to send their kids to college. So that's the 70% of the people using this service.

"I'd like to echo what the Representative from Liliha said, that we should embrace change and the sharing economy. Thank you."

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

Representative Kawakami rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, slight reservations and a few brief comments. I support the intent, I just think that the issue is ahead of its time as far as addressing tax collection. I can recall that, my district has a proliferation of illegal vacation rentals outside of the VDA.

"And so when the County of Kauai in essence tried to get a grip on this issue, what they ended up doing is they ended up grandfathering illegal vacation rentals, if they had been paying their TAT and GE tax. So in essence what it did is it rewarded people that were breaking the law. And people that were in compliance, it totally locked the door.

"So my concern is that before we move forward we should, as the previous speaker said, we should address the illegal operators and crack down so that we can ensure that as these brokers are collecting taxes, they don't accidentally collect tax from an illegal vacation rental, of which that operator would be saying, I should be grandfathered in, I've been paying the taxes. Thank you, Mr. Speaker."

Representative Lowen rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with some reservations. We do need to collect the tax from these vacation rentals. It's not clear to me whether there's a correlation between collecting the tax and then somehow legitimizing this business and therefore there are more of them, or if it's something that exists already. But it is clear that it needs more regulation.

"And maybe thinking about it in a big picture approach, it can be an important source of revenue for families who need the additional income. But at the same time it could be responsible for increasing the cost of housing and the cost of affordable rentals. So there's just a lot of questions still to be answered. And I'd like the words of the Representatives from Lahaina and Kahala entered in the Journal. Thank you," and the Chair "so ordered." (By reference only.)

Representative Morikawa rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations for the same reasons as my colleague from Kauai."

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

"In support. The rules regarding these vacation rentals have already been around by the county. It's really up to the county to enforce, and not leave it up to the State to do that. By objecting to this rule, we are basically telling the county that we will enforce their laws for you. There should be

some kind of delineation of what the state does versus what the county does.

"We are here to enforce state tax revenues. And by doing that, we need this kind of bill. Should the counties later on choose to grandfather in those B&Bs, well that's up to them. That's not up to us. Think of it as, we need to start thinking of these types of new industries that are coming in, these 21st century type industries. We need to figure out how to regulate them and we need to figure out how to tax them so that we will not be left behind in this 21st century world. Thank you."

Representative Ing rose to respond, stating:

"Mr. Speaker, just really quickly in support. I might not have been clear enough, but I just want the Members to understand how it works right now. I rent a room out for \$200 a night, one night that week. I'll get a check from Airbnb for \$200. No taxes taken out. I have to figure out how to pay taxes, like start a business, whatever, through the State. That's the current system. Who the heck is going to actually do that?

"That's a lot of money we're leaving on the table. Under this new system, I charge \$200, I get back a check that's whatever, \$150. The rest goes to the State through Airbnb. Thank you."

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

"Thank you, Mr. Speaker. Still in opposition and may I reference my remarks from second reading please, and add just short remarks to the Journal. Thank you," and the Chair "so ordered." (By reference only.)

Representative Thielen's written remarks are as follows:

"I rise in strong opposition to House Bill 1850, HD 1 regarding tax collection from transient accommodations brokers.

"This bill veils itself as a tax collection mechanism, however the insidious part of this bill is that there is no ability to determine if the residences that are being rented are LEGAL rentals. The bill specifically provides that the brokers are not required to provide the names of owners and addresses of the rentals.

"To address the legality of any vacation rental advertisement and ensure tax collection thereon, we passed Act 204 which requires all vacation rental advertisements to include the TAT registration number. How can we enforce the laws that currently exist if those earning a profit from illegal activity are shielded by Legislation like HB 1850?!

"Our state is already blanketed with illegal rentals. I am constantly in contact with the Department of Planning and Permitting regarding this activity. I am very concerned with the rise of the homeless population often due to lack affordable rentals in our communities. The ability for people who work and live full time in our state to rent a property, especially anything near the beach, has been eliminated by vacation rentals. The price of available rentals has skyrocketed. Furthermore, those who live and work in these neighborhoods do not have quiet enjoyment of their home due to noise and constant arrivals and departures from visitors at all hours. How about protecting communities from becoming resort rental areas? And it would be nice to think about having residential housing for residents rather than tourists!

"Although we have a certain number of legal vacation rentals, the problems with lack of housing and disturbances are primarily attributable to the number of illegal vacation rentals sprouting up in our neighborhoods. Those that are permitted provide the community with adequate recourse due to our ability to obtain information about the owners.

"There are individuals that have gone through the proper procedures to obtain a license to operate their vacation rentals legally. Furthermore, we have a hotel industry in our state that provides much needed jobs and security to our citizens.

"HB 1850 undermines legal vacation operations and encourages further illegal activity in our community."

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

"In support, Mr. Speaker. Just a few words. First and foremost, I've been looking at vacation rentals in the City and County of Honolulu for well over 13 to 14 years. My community, Makaha, Upena, Makau, Fricke Street, these are all famous streets. You could have bought a home out there almost 15 years ago right on the ocean for \$300,000. Today those homes are going for almost \$5 million, brokered by Sotheby's. That's not for our families here. We all know they're vacation rentals, especially this past two weekends with the great surf event we had. Most of those individuals, including neighbor island visitors, staying in those illegal rentals.

"So when we start talking about these types of measures, this is just a mechanism for modern technology with these little computers in our hands to provide the opportunity for those illegal vendors or legal vendors, we're not arguing that, to be able to pay the taxes.

"You see, our statute, Mr. Speaker, for the general excise and the TAT, says we don't care if you're legal or illegal, you owe the tax. We just recently settled on a case last year regarding travel. Companies using these little hand devices and not paying that sales tax to the State of Hawaii.

"I find it interesting that now these modern technology companies are now coming forwards to say, hey, is there a way we can help with this mechanism so you don't come after us. I'm not going to get into their business model. They have a great business model between them and their clients. They research all of the county ordinances, statutes and zonings. They provide it to those clients, those clients sign a contract between them and Airbnb, swearing that they're legal. That's what people should go after.

"We're looking at the tax coffers that our state's not receiving. We can't even provide reports to see if we should give credits or reduce credits or increase taxes or decrease taxes, because we can't get great reports from the Department of Taxation. Because we don't know what is owed to us. This is just a mechanism to allow that one company, or other companies, to collect that and pay it over to us.

"And the city and counties of all our different jurisdictions should start looking at that issue. And if they didn't hear these conversations in Finance, in the previous committees, then they better start listening. I've gone through four mayors in Honolulu County who keep kicking the can down the road regarding TAT. And now everybody's using that because we don't have enough housing even for the residents here in Hawaii.

"I think everybody should be standing up for this and saying chee-hu, fill our buckets with our monies. And counties, start dealing with your issues. We're not going to micro-manage our counties. They need to deal with their zoning issues and their illegal, so called transient rentals. May I please have permission to submit other comments into the Journal, I think everybody is tired. Thank you, Mr. Speaker."

Representative Jordan's written remarks are as follows:

"It goes without saying, the State of Hawaii does have a serious issue with illegal transient accommodation rentals. It is important to note the State loses millions of dollars in tax revenue because there is no mechanism to collect taxes for transient accommodation rentals handled by management companies out of state. This bill provides the ability to begin collecting those taxes. This measure is not to legitimize illegal transient accommodation rentals, that enforcement falls within each of the county jurisdictions and should be addressed at that level. Current taxation laws for the State do not distinguish between legal or illegal transient accommodation rentals, and taxpayers who operate these businesses are still required to be in compliance with the tax liability, so this measure provides the ability for owners to comply with the state tax codes."

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

Representative Pouha rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Just strong reservations at this time. A couple of brief comments I wanted to mention. As my esteemed colleagues here have mentioned, this is a very complex issue, involving not only our current body, but also our friends across the street and other counties as well.

"And so as we've heard here, these unpermitted transient vacation units, they are all throughout my district. And I have people who live there who also are hosts. I have people who are trying to fight this issue of not having enough workforce housing. I also have the question about enforcement. It is a huge issue, a huge deal. We have a lot of rules that we're proposing, but the question is, what are our governments going to do about it?

"Like I alluded to, just in listening to the comments that have been mentioned, this is something that we're going to have to continue a discussion about and to see what we can do within the purview that this state has and which we are talking about here today. So for now, just with very strong reservations. I look forward to the continued debate on this matter. Thank you."

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

"Mr. Speaker, in strong support. Mr. Speaker, I'm hoping that this discussion and the movement of this bill for the State of Hawaii to collect these taxes that are due to the State of Hawaii will spur the counties to look at their own situation. They are losing a whole lot of real property tax revenue by allowing homeowners to claim homeowner exemptions, when they are actually running a business.

"And if they were to go out there, Mr. Speaker, and do their own due diligence instead of asking us to do the due diligence for them, they would begin to be able to assess these people the appropriate property tax versus them paying the same property tax as their neighbor, who is actually living there in their own home versus someone who is renting the home next to them on a 365 day basis and paying the same property tax as the person who lives there.

"So, I hope this discussion really makes the counties begin to realize that they're missing out on a whole bunch of revenue. And they're always coming to us asking for more money. So in strong support. Thank you."

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

The motion was put to vote by the Chair and carried, and H.B. No. 1850, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 41 ayes to 10 noes, with Representatives Aquino, Cachola, DeCoite, Har, Kawakami, Lowen, McKelvey, Morikawa, Pouha and Tupola voting aye with reservations, and with Representatives Keohokalole, Kobayashi, Lee, LoPresti, Matsumoto, McDermott, Say, Thielen, Tokioka and Ward voting no.

At 5:00 o'clock p.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2415
H.B. No. 2146, HD 1
H.B. No. 2576, HD 1
H.B. No. 2006, HD 1
H.B. No. 2466, HD 1
H.B. No. 1850, HD 1

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 27 through 29) and concurrent resolutions (H.C.R. Nos. 60 through 64) were referred to Printing and further action was deferred:

H.R. No. 27, entitled: "HOUSE RESOLUTION REQUESTING THE UNITED STATES CONGRESS TO CALL A CONVENTION OF THE STATES FOR THE PURPOSE OF PROPOSING AMENDMENTS TO THE UNITED STATES CONSTITUTION," was jointly offered by Representatives McDermott and Kong.

H.R. No. 28, entitled: "HOUSE RESOLUTION REQUESTING THE CONVENING OF A TASK FORCE TO CONDUCT A STUDY ON IMPOSING MANDATORY ALTERNATIVE DISPUTE RESOLUTION TO RESOLVE HOMEOWNERS ASSOCIATIONS DISPUTES," was jointly offered by Representatives San Buenaventura, McKelvey and LoPresti.

H.R. No. 29, entitled: "HOUSE RESOLUTION REQUESTING THE REVISION OF FEDERAL REGULATIONS SO THAT HOUSING SUBSIDIES THROUGH THE SECTION 8 RENTAL ASSISTANCE AND HOMEOWNERSHIP PROGRAM PAID DIRECTLY TO AN APPLICANT OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ARE EXCLUDED FROM THE CALCULATION OF HOUSEHOLD INCOME TO DETERMINE ELIGIBILITY FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM," was jointly offered by Representatives Hashem, Kobayashi, Morikawa, Nishimoto, Ohno, Rhoads, Takayama, Oshiro and Tokioka.

H.C.R. No. 60, entitled: "HOUSE CONCURRENT RESOLUTION PETITIONING CONGRESS FOR A LIMITED AMENDMENTS CONVENTION FOR THE PURPOSE OF PROPOSING A FREE AND FAIR ELECTIONS AMENDMENT TO THE UNITED STATES CONSTITUTION," was offered by Representative Lee.

H.C.R. No. 61, entitled: "HOUSE CONCURRENT RESOLUTION ENDORSING AND SUPPORTING THE ALA WAI WATERSHED PARTNERSHIP AND REQUESTING A REPORT ON PROGRESS MADE BY THE PARTNERSHIP," was jointly offered by Representatives Lee, Brower, Evans, LoPresti, Lowen, Nishimoto, Takumi and Thielen.

H.C.R. No. 62, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES CONGRESS TO CALL A CONVENTION OF THE STATES FOR THE PURPOSE OF PROPOSING AMENDMENTS TO THE UNITED STATES CONSTITUTION," was jointly offered by Representatives McDermott and Kong.

H.C.R. No. 63, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A TASK FORCE TO CONDUCT A STUDY ON IMPOSING MANDATORY ALTERNATIVE DISPUTE RESOLUTION TO RESOLVE HOMEOWNERS ASSOCIATIONS DISPUTES," was jointly offered by Representatives San Buenaventura, McKelvey and LoPresti.

H.C.R. No. 64, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE REVISION OF FEDERAL REGULATIONS SO THAT HOUSING SUBSIDIES THROUGH THE SECTION 8 RENTAL ASSISTANCE AND HOMEOWNERSHIP PROGRAM PAID DIRECTLY TO AN APPLICANT OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ARE EXCLUDED FROM THE CALCULATION OF HOUSEHOLD INCOME TO DETERMINE ELIGIBILITY FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM," was jointly offered by Representatives Hashem, Kobayashi, Morikawa, Nishimoto, Ohno, Rhoads, Takayama, Oshiro and Tokioka.

ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, I have an important update from Senator Sam Slom. He only had a bladder infection. And he voted over 100 noes on the floor today in the Senate. So all is well, bright eyed, bushy tailed. And he is going to vote tonight for the Republican caucuses. Which by the way, Hillary has won Mississippi and Bernie Sanders has won Michigan. Trump has won Michigan and Trump has won Mississippi. The surprise in Michigan is that Kasich came in second. Anyway, Sam is alive and well, and there is no moment of silence, but if you want to celebrate tonight, join me. Thank you."

Representative San Buenaventura: "I just want to make an announcement that today is International Women's Day. It's a global day celebrating the social, economic, cultural and political achievements of all women."

Representative Thielen: "Just as a postscript to the Vice Chair of Judiciary's comment. It will take 70 years for women to reach equality in pay scale. I don't think any of us will be here then, but I hope whoever is helping to carry the torch forward. Thank you."

Representative Nishimoto: "Thank you, Mr. Speaker. Just one announcement. I do have a resolution to rename the airport the Daniel K. Inouye International Airport. If Members would like to sign it or if you haven't signed it yet, please come see me, I plan on filing it tomorrow. Thank you."

COMMITTEE ASSIGNMENTS

The following measures were referred to committee by the Speaker:

<u>H.R.</u> <u>Nos.</u>	<u>Referred to:</u>
25	Committee on Human Services, then to the Committee on Education
26	Committee on Economic Development & Business, then to the Committee on Finance
27	Committee on Judiciary, then to the Committee on Finance
28	Committee on Consumer Protection & Commerce, then to the Committee on Judiciary
29	Jointly to the Committee on Housing and the Committee on Human Services, then to the Committee on Finance
<u>H.C.R.</u> <u>Nos.</u>	<u>Referred to:</u>
59	Committee on Economic Development & Business, then to the Committee on Finance
60	Committee on Judiciary, then to the Committee on Finance
61	Committee on Energy & Environmental Protection, then to the Committee on Water & Land
62	Committee on Judiciary, then to the Committee on Finance
63	Committee on Consumer Protection & Commerce, then to the Committee on Judiciary
64	Jointly to the Committee on Housing and the Committee on Human Services, then to the Committee on Finance

<u>S.B.</u> <u>Nos.</u>	<u>Referred to:</u>		
		2543	Jointly to the Committee on Labor & Public Employment and the Committee on Higher Education, then to the Committee on Finance
75, SD2	Jointly to the Committee on Health and the Committee on Energy & Environmental Protection, then to the Committee on Finance	2550	Committee on Finance
		2551	Committee on Judiciary, then to the Committee on Finance
2007, SD1	Committee on Health, then to the Committee on Consumer Protection & Commerce, then to the Committee on Finance	2555	Committee on Finance
2008, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance	2565	Committee on Housing, then to the Committee on Finance
2021	Committee on Energy & Environmental Protection, then to the Committee on Finance	2619, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance
2040, SD1	Committee on Higher Education, then to the Committee on Finance	2655, SD1	Committee on Finance
2245, SD1	Jointly to the Committee on Ocean, Marine Resources, & Hawaiian Affairs and the Committee on Energy & Environmental Protection, then to the Committee on Judiciary	2660	Committee on Water & Land, then to the Committee on Consumer Protection & Commerce, then to the Committee on Finance
2250	Committee on Finance	2670	Committee on Consumer Protection & Commerce, then to the Committee on Finance
2256, SD1	Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Transportation, then to the Committee on Finance	2671, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance
2298, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Judiciary, then to the Committee on Finance	2675, SD1	Committee on Health, then to the Committee on Consumer Protection & Commerce, then to the Committee on Judiciary
2319, SD1	Committee on Health, then to the Committee on Consumer Protection & Commerce, then to the Committee on Finance	2680, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance
2320, SD1	Committee on Health, then jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary, then to the Committee on Finance	2694, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
2333, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Judiciary	2723, SD1	Committee on Labor & Public Employment, then to the Committee on Judiciary, then to the Committee on Finance
2341, SD1	Committee on Health, then to the Committee on Consumer Protection & Commerce	2732	Committee on Consumer Protection & Commerce, then to the Committee on Finance
2367	Committee on Agriculture, then to the Committee on Finance	2775	Jointly to the Committee on Health and the Committee on Labor & Public Employment, then to the Committee on Finance
2383, SD2	Committee on Health, then to the Committee on Consumer Protection & Commerce, then to the Committee on Finance	2819	Committee on Economic Development & Business, then to the Committee on Finance
2395, SD1	Jointly to the Committee on Health and the Committee on Human Services, then to the Committee on Consumer Protection & Commerce, then to the Committee on Finance	2823	Committee on Housing, then to the Committee on Finance
2453	Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance	2825, SD1	Committee on Economic Development & Business
2484	Committee on Public Safety, then to the Committee on Finance	2835, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
2506	Committee on Economic Development & Business, then to the Committee on Finance	2836, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
2511	Committee on Economic Development & Business, then to the Committee on Consumer Protection & Commerce	2837, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
2539, SD1	Committee on Health, then to the Committee on Finance	2840, SD1	Committee on Labor & Public Employment, then to the Committee on Health, then to the Committee on Consumer Protection & Commerce
2541	Committee on Economic Development & Business, then to the Committee on Finance	2841	Committee on Labor & Public Employment, then to the Committee on Finance
		2849, SD1	Jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary, then to the Committee on Finance

- 2856 Committee on Judiciary
- 2883 Committee on Health, then to the Committee on Judiciary
- 2887, Jointly to the Committee on Human Services and the
SD1 Committee on Health, then to the Committee on Finance
- 2921 Committee on Finance
- 2926, Committee on Judiciary, then to the Committee on Finance
SD1
- 2939 Committee on Higher Education, then to the Committee on
Finance
- 2971 Committee on Higher Education, then to the Committee on
Finance
- 2975 Committee on Health, then to the Committee on Judiciary
- 3024, Committee on Judiciary, then to the Committee on Finance
SD1

ADJOURNMENT

At 5:03 o'clock p.m., on motion by Representative Evans, seconded by Representative Pouha and carried, the House of Representatives adjourned until 12:00 o'clock noon Thursday, March 10, 2016.