

THIRTY-THIRD DAY**Monday, March 21, 2016**

The House of Representatives of the Twenty-Eighth Legislature of the State of Hawaii, Regular Session of 2016, convened at 12:08 o'clock p.m., with Vice Speaker Mizuno presiding.

The invocation was delivered by Pastor David "Waxer" Tipton, after which the Roll was called showing all Members present with the exception of Representatives Kawakami, Kong, Luke, Rhoads and Say, who were excused.

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

GOVERNOR'S MESSAGES

The following message from the Governor (Gov. Msg. No. 15) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 15, dated March 14, 2016, transmitting proposed changes to the FY 17 Executive Supplemental Budget for the Department of Business, Economic Development and Tourism and the Department of Land and Natural Resources.

INTRODUCTIONS

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

Representative Takayama introduced his staff, Sheldon Galderia, Kau Lucas and Aristotle Santa Cruz.

Representative Woodson introduced his intern, Jolee Correa, granddaughter of Senator Joe Tanaka; and his staff, Makoa Santarini.

Representative Takumi introduced Mr. Keith Hayashi, Principal, Waipahu High School; Ms. Jeannine Souki, Executive Director, Hawaii Public Charter Schools Network; Ms. Heather Nakakura, Co-Director, West Hawaii Explorations Academy; Ms. Kaleimakamae Ka'auwai, Director, Kawaikini New Century PCS; Ms. Kamaka Gunderson, Po'okumu Ke Ana La'ahana PCS; Mr. Daniel Caluya, Director, Na Wai Ola PCS; Ms. Usha Kotner, Kona Pacific PCS; and Ms. Pat Brandt, Board Chair, Halau Ku Mana PCS.

ORDER OF THE DAY**INTRODUCTION OF RESOLUTIONS
(FLOOR PRESENTATIONS)**

The following resolution (H.R. No. 160) was announced by the Clerk and the following action taken:

H.R. No. 160, entitled: "HOUSE RESOLUTION CONGRATULATING MICHAEL SANA AS THE RECIPIENT OF THE 2015 MILKEN EDUCATOR AWARD, WRAYNA FAIRCHILD AS THE 2015 VOYA UNSUNG HEROES AWARD RECIPIENT, JAN KAMIYA AS THE 2015 PUBLIC LIBRARIAN OF THE YEAR, ANNA MCCORMICK AS THE RECIPIENT OF THE 2015 EXCELLENCE IN SERVICE AWARD, AND ORREN SMITH, BRITNEE AKAU, PHILLIP PALMORE, AND ANNA KIMATA AS RECIPIENTS OF THE 2016 PRUDENTIAL SPIRIT OF COMMUNITY AWARD," was jointly offered by Representatives Takumi and Ohno.

Representative Takumi moved that H.R. No. 160 be adopted, seconded by Representative Ohno.

Representative Takumi celebrated educators in our community, and congratulated and introduced honorees who were seated on the Floor of the House:

Mr. Michael Sana, Waipahu High School, recipient of 2015 Milken Educator Teacher of Promise Award. He was accompanied by friends and family who were seated in the gallery: Trixia Soria, Xavier Alexander Soria Sana, Patricia Soria, Julius Soria, Carmen Soria, Andrew Sana, Evina Sana, Hailey Sana, Haizel Sana, Haiven Sana, Keith Hayashi, Elaina Paredes, Kylene Paredes, Emelda Keola, Kelsy Kai-Yamamoto, Sophia Kai-Yamamoto, Syan Kai-Yamamoto and Fred Ponce.

Ms. Wrayna Fairchild, Manoa Elementary School, recipient of 2015 Voya Financial Unsung Heroes Award. She was accompanied by her mom, Teresa Pereira, who was seated in the gallery.

Ms. Jan Kamiya, McCully-Mo'ili'ili Public Library, 2015 Librarian of the Year. She was accompanied by friends and family who were seated in the gallery: parents, James and Marilyn Kamiya; uncle and aunt, Rick and Renee Scudder; cousins, Ryan and Lisa Scudder; Ms. Stacey Aldrich, State Librarian; Ms. Sheryl Ing, Public Libraries Branch; Mr. Paul Mark, HSPLS Photographer, Ms. Hillary Chang, Branch Manager, McCully-Mo'ili'ili Public Library; Mr. Ron Lockwood, President, Friends of the McCully-Mo'ili'ili Public Library; Nainoa Mau and Brigitte Yoshino, Friends of the Library of Hawaii; friend, Diane Koshi; and co-workers, Ms. Lori Chun, Ms. Lydia Murashige, Ms. Wendy Arakaki, Ms. Shannon Silva and Ms. Doreen Dold.

Ms. Anna McCormick, Wahiawa Public Library, recipient of the 2015 Excellence in Service Award.

Representative Ohno honored and celebrated the achievements made by Hawaii's middle and high school students who have shown exemplary community service and volunteerism and serve as role models for their peers, and introduced additional honorees who were seated on the Floor of the House:

Orren Smith, sixth grader at Hanalani School, Prudential Spirit of Community Award honoree. He was accompanied by friends and family who were seated in the gallery: mom, Lydia Smith; Lt. Junior Grade Christa Funk, US Coast Guard; Ms. Bonnie Lee, Hanalani Lower School Principal; Mr. George Evensen, Our Savior Lutheran School Principal; Ms. Cynthia Chung, Our Savior Lutheran School Teacher; and Ms. Dayna Culbertson, Prudential Financial.

Britnee Akau, sophomore at Kauai High School, 2016 Prudential Spirit of Community Award finalist, who could not be here today.

Phillip Palmore, senior at Kea'au High School, 2016 Prudential Spirit of Community Award finalist. He was accompanied by his father, Stephen Palmore, who was seated in the gallery.

Anna Kimata, sophomore at Punahou School, 2016 Prudential Spirit of Community Award honoree. She was accompanied by friends and family who were seated in the gallery: parents, Jason and Monica Yu-Kimata; grandparents, Dr. George and Mamie Kimata; and cousin, Mauhia Kimata.

Mr. Todd Thakar, Vice President of Government Affairs at Prudential Financial.

The motion was put to vote by the Chair and carried, and H.R. No. 160 was adopted, with Representatives Har, Kawakami, Kong, Luke, Rhoads and Say being excused.

At 12:29 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:46 o'clock p.m.

REPORTS OF STANDING COMMITTEES

Representative Morikawa, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1127-16) recommending that S.B. No. 2315, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2315, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO JURY DUTY," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

Representative Takumi, for the Committee on Education, presented a report (Stand. Com. Rep. No. 1128-16) recommending that S.B. No. 2624, SD 2 pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2624, SD 2 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

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

"Mr. Speaker, in support with a brief comment. Mr. Speaker, I was impressed with the role models that we just commended for their access and their success and their achievements for education. I just had read the bill prior to giving them congratulatory remarks and I said, hey, how does the level of reimbursement here, the tax exemption, if you buy school supplies, you get up to \$250. And they said, oh, that's really low.

"I said, should that be \$1,000, should it be \$750? They said, no, \$500 would be fair. So, Mr. Speaker, I would hope as this bill carries on that the rather low bar at \$250 would be raised a bit, because \$250 isn't very much. You can't buy too much for a whole year for \$250. For those reasons, I hope it's considered to be higher. Thank you."

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

"With reservations, Mr. Speaker. Just one comment. This is a dollar for dollar tax credit. When we start talking about tax liability, if our average tax for an individual in the State of Hawaii is about 8% and you multiply eight times 1,000, that's \$80. And you're talking \$250, dollar for dollar, that gets rather expensive in our tax coffers. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2624, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Finance, with Representative Jordan voting aye with reservations, and with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1129-16) recommending that S.B. No. 2671, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2671, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERINARY TECHNICIANS," passed Second Reading and was referred to the Committee on Finance, with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

Representative Belati, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1130-16) recommending that S.B. No. 2240, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2240, SD 1, HD 1, entitled: "A BILL FOR AN ACT MAKING AN

APPROPRIATION TO THE DEPARTMENT OF HEALTH TO REESTABLISH A VECTOR CONTROL BRANCH," passed Second Reading and was referred to the Committee on Finance, with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

Representative Tsuji, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1131-16) recommending that S.B. No. 2217, SD 2 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2217, SD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Second Reading and was referred to the Committee on Finance, with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

Representative Tsuji, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1132-16) recommending that S.B. No. 2367, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2367, HD 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII RENEWABLE RESOURCES, LLC," passed Second Reading and was referred to the Committee on Finance, with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

Representative Brower, for the Committee on Tourism, presented a report (Stand. Com. Rep. No. 1133-16) recommending that S.B. No. 2987, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2987, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I have serious reservations on this measure. Comments to the Journal, and just would like to say that I think fiscal responsibility would be, if you have a percentage, that's when the counties would exercise fiscal responsibility, because if revenues drop, then everybody suffers the down turn. I think a set cap dollar amount is not the way to go, and I think to make it permanent at this time is also, it gives me a lot of concerns. So, with reservations."

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, this measure caps the TAT to the counties at a set dollar amount every year, which discourages good fiscal management. Should revenue decline, then the counties have to share in the loss along with the State. Subsequently, why should the counties be punished when times are good and tourists are coming in droves and pouring money into the TAT?"

"The policy for TAT revenue distribution should be based on a formula that returns a set percentage of revenue to the counties where it is earned, rather than a fixed amount. A formula-based policy allows distributions to the counties to increase as visitor numbers grow, without a need to change the statute.

"Additionally, the State-County Functions Working Group ('Working Group') issued its final report and recommendations to the Legislature in December 2015, after two years of intensive research and hard work. The Working Group recommended an allocation to the counties of 45% of the remaining transient accommodations tax (TAT) revenues after adjustments to the Tourism Special Fund. Creating another Working Group at taxpayers' expense is unnecessary.

"As partners in Hawai'i's governance, it is critical that the State provide a greater share of TAT revenues to the counties, who are responsible for providing essential services to residents and visitors. The collective cost of county services for police, fire and parks have increased by \$170.3 million since 2007, a 30% increase. In comparison, the counties have received only a 2.2% increase in TAT revenues over that same period. Mr. Speaker, by unfairly denying TAT revenue to the counties, the State has been effectively requiring residents to pay for the visitors' share of expenses. Therefore, I have reservations of this measure."

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

"Mr. Speaker, I will vote with the counties. No vote."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2987, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX," passed Second Reading and was referred to the Committee on Finance, with Representatives DeCoite, McKelvey, Morikawa, Tupola and Woodson voting aye with reservations, with Representative Ward voting no, and with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Pouha and carried, the rules were suspended for the purpose of considering certain Senate Bills for Third Reading by consent calendar. (Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka were excused.)

THIRD READING

S.B. No. 2312, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 2312, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Third Reading by a vote of 44 ayes, with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

S.B. No. 2825, SD 1:

Representative Saiki moved that S.B. No. 2825, SD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, no vote, with the request that my remarks from second reading would be entered into the Journal for this third reading. Because, Mr. Speaker, without NASA there is no aerospace program. It's simple as that. This is cutting the nose to spite the face. For those reasons, I continue to vote no. Thank you," and the Chair "so ordered." (By reference only.)

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

"Just in support, Mr. Speaker. NASA has been wanting off this board for quite some time. They never show up, we can't get quorum to do the other

businesses, to do to anything. And actually having them on there, in their words, is cutting off our nose to spite our face. Thank you."

The motion was put to vote by the Chair and carried, and S.B. No. 2825, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Third Reading by a vote of 43 ayes to 1 no, with Representative Ward voting no, and with Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka being excused.

At 12:53 o'clock p.m., the Chair noted that the following bills passed Third Reading:

- S.B. No. 2312, SD 1, HD 1
- S.B. No. 2825, SD 1

ANNOUNCEMENTS

COMMITTEE REASSIGNMENTS

The following measures were re-referred to committee by the Speaker:

<u>S.B. Nos.</u>	<u>Re-referred to:</u>
2007, SD1	Committee on Health, then to the Committee on Finance
2690, SD2	Committee on Health, then to the Committee on Finance
2691, SD2, HD1	Committee on Health, then to the Committee on Finance

ADJOURNMENT

At 12:54 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 tomorrow, Tuesday, March 22, 2016. (Representatives Har, Kawakami, Kong, Luke, Rhoads, Say and Tokioka were excused.)