

THIRTY-SEVENTH DAY

Monday, March 28, 2016

The House of Representatives of the Twenty-Eighth Legislature of the State of Hawaii, Regular Session of 2016, convened at 12:07 o'clock p.m., with Speaker Souki presiding.

The invocation was delivered by Kia'i Pouha, son of Representative Feki Pouha, after which the Roll was called showing all Members present with the exception of Representatives Hashem, Kong, Lowen, McKelvey, Oshiro, Saiki and Say, who were excused.

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

DEPARTMENTAL COMMUNICATIONS

The following departmental communications (Dept. Com. Nos. 304 through 308) were received by the Clerk and were placed on file:

Dept. Com. No. 304, from the Office of the Auditor, dated February 2, 2016, transmitting the Financial Audit of the Employees' Retirement System of the State of Hawaii for fiscal year ended June 30, 2014, pursuant to Section 23-9, HRS.

Dept. Com. No. 305, from the Office of the Auditor, dated February 16, 2016, transmitting 16 analyses completed on special and revolving funds proposed in the current legislative session, pursuant to Section 23-11, HRS.

Dept. Com. No. 306, from the Office of the Auditor, dated February 17, 2016, transmitting 14 analyses completed on special and revolving funds proposed in the current legislative session, pursuant to Section 23-11, HRS.

Dept. Com. No. 307, from the Office of the Auditor, dated February 19, 2016, transmitting 16 analyses completed on special and revolving funds proposed in the current legislative session, pursuant to Section 23-11, HRS.

Dept. Com. No. 308, from the Office of the Auditor, dated February 23, 2016, transmitting the Financial Audit of the Hawaii Tourism Authority for fiscal year ended June 30, 2015, pursuant to Section 23-9, HRS.

INTRODUCTIONS

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

Representative Pouha introduced his family: sons, Kiai and Laiku, daughter Hilinai, wife Kieiki, sisters Nicole, Kanani and Kaua; and high school students and their teachers from Anne-Marie Javouhey School in Papeete, Tahiti.

Representative Keohokalole introduced his family: Raymond Pagan, Alicia Nicholson, Lenox Keohokalole; and his Office Manager, Julia Peleiholani.

Representative Cullen introduced his family members, Eric and Christine Santos.

Representative LoPresti introduced members of Koa Puna motorcycle club.

Speaker Souki introduced members from the motorcycle clubs in Hawaii.

ORDER OF THE DAY

INTRODUCTION OF RESOLUTIONS
(FLOOR PRESENTATIONS)

The following resolution (H.R. No. 164) was announced by the Clerk and the following action taken:

H.R. No. 164, entitled: "HOUSE RESOLUTION CONGRATULATING THE WINNERS OF THE HAWAII VENTURE CAPITAL ASSOCIATION'S 16TH ANNUAL AWARDS," was jointly offered by Representatives Ohno, Ing and Kawakami.

Representative Ohno moved that H.R. No. 164 be adopted, seconded by Representative Ing.

Representative Ohno acknowledged the work of the Hawaii Venture Capital Association fostering entrepreneurial development through networking, education and access to venture capital, and congratulated and introduced honorees who were seated on the Floor of the House:

Ms. Meli James, President, Hawaii Venture Capital Association; and Mr. Tad Glauthier of Stem, 2015 HVCA Deal of the Year.

Representative Ohno also recognized guests who were seated in the gallery:

Mr. Traven Watase of Scholar's App, 2015 HVCA Student Entrepreneur of the Year;
Mr. Vincent Kimura of Smart Yields, 2015 HVCA Cleantech/Ag Entrepreneur of the Year;
Ms. Samantha Kimsey of Computational Thinkers, 2015 HVCA Social Impact Entrepreneur of the Year; and
Mr. Elliot Parks of Hawaii Biotech, Inc., 2015 HVCA Life Science Entrepreneur of the Year, who could not be here today.

Representative Ing congratulated and introduced additional honorees who were seated on the Floor of the House:

Mr. Garrett W. Marrero, co-founder of Maui Brewing Company, 2015 HVCA Entrepreneur of the Year; and
Mr. Richard Wacker of American Savings Bank, 2015 HVCA Investor of the Year.

Representative Kawakami honored the work of and introduced additional honorees who were seated on the Floor of the House:

Mr. Sean Hookano-Briel of Comprendio, 2015 HVCA Tech Entrepreneur of the Year; and
Ms. Tina Fitch of HobNob, 2015 HVCA People's Choice Startup of the Year.

Representative Ward, as a co-founder of the Hawaii Venture Capital Association, expressed his pride in the success of the association, and congratulated the small businesses and entrepreneurs.

The motion was put to vote by the Chair and carried, and H.R. No. 164 was adopted, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro, Pouha and Saiki being excused.

The following resolution (H.R. No. 165) was announced by the Clerk and the following action taken:

H.R. No. 165, entitled: "HOUSE RESOLUTION RECOGNIZING AND COMMENDING ABENEL "TIGER" WONG FOR HIS ACCOMPLISHMENTS AND CONTRIBUTIONS TO THE STATE OF HAWAII," was offered by Representative Lee.

Representative Lee moved that H.R. No. 165 be adopted, seconded by Representative Brower.

Representative Lee celebrated and recognized the legacy of Tiger Wong, and thanked and introduced honoree who was seated on the Floor of the House:

Mr. Abenel Makini "Tiger" Wong, recipient of two Purple Hearts during his service as a glider troop in World War II on D-Day and in the U.S. Army Rangers during the Korean War, former Honolulu Police Officer, and founder of Worldwide Motorcycle Club, with the mission to produce solid leaders, to promote and support the charitable efforts of others.

Representatives Brower and Tokioka recognized additional honorees who were seated on the Floor of the House:

Mr. Andrew Jamila, advocate from Waimanalo;
Ms. Gayle "Lawless" Maave, Tiger's significant other; and
Mr. Ray Pagan, Street Bikers United Hawaii.

Representative Brower also recognized guests in the gallery from motorcycle clubs and organizations around Hawaii: Koa Puna, Kanaka Hekili, Tatau, PatoPato, Keolamana and Mo'opuna.

Representative Ward thanked Mr. Andrew Jamila for his work in Waimanalo and Hawaii Kai.

The motion was put to vote by the Chair and carried, and H.R. No. 165 was adopted, Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

At 12:39 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:57 o'clock p.m.

REPORTS OF STANDING COMMITTEES

Representative Kawakami, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1345-16) recommending that H.R. No. 131 be referred to the Committee on Higher Education.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.R. No. 131, entitled: "HOUSE RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII, WEST OAHU, TO COLLABORATE WITH THE STATE PROCUREMENT OFFICE TO EXPLORE, COLLECT DATA, AND REPORT ON THE VIABILITY OF A WORKFORCE DEVELOPMENT PILOT PROGRAM IN THE FIELD OF PROCUREMENT," was referred to the Committee on Higher Education, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Kawakami, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1346-16) recommending that H.C.R. No. 184 be referred to the Committee on Higher Education.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.C.R. No. 184, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII, WEST OAHU, TO COLLABORATE WITH THE STATE PROCUREMENT OFFICE TO EXPLORE, COLLECT DATA, AND REPORT ON THE VIABILITY OF A WORKFORCE DEVELOPMENT PILOT PROGRAM IN THE FIELD OF PROCUREMENT," was referred to the Committee on Higher Education, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Kawakami, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1347-16) recommending that H.R. No. 142 be referred to the Committee on Finance.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.R. No. 142, entitled: "HOUSE RESOLUTION REQUESTING THE STATE PROCUREMENT OFFICE TO REVIEW HAWAII'S PROCUREMENT LAWS IN COMPARISON WITH FEDERAL PROCUREMENT LAWS," was referred to the Committee on Finance, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Kawakami, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1348-16) recommending that H.C.R. No. 196 be referred to the Committee on Finance.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.C.R. No. 196, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE PROCUREMENT OFFICE TO REVIEW HAWAII'S PROCUREMENT LAWS IN COMPARISON WITH FEDERAL PROCUREMENT LAWS," was referred to the Committee on Finance, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Kawakami, for the Committee on Economic Development & Business, presented two reports:

(Stand. Com. Rep. No. 1349-16) recommending that H.R. No. 51 be referred to the Committee on Finance; and

(Stand. Com. Rep. No. 1350-16) recommending that H.C.R. No. 89 be referred to the Committee on Finance.

Representative Mizuno moved that the reports of the Committee be adopted, and that H.R. No. 51; and H.C.R. No. 89 be referred to the Committee on Finance, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to both measures, stating:

"Thank you, Mr. Speaker. A no vote, please, on both, Mr. Speaker. And I see a tax looming in the measures. Thank you."

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

Representative Ward rose to speak in opposition to both measures, stating:

"Mr. Speaker, I rise in opposition with a brief comment. Mr. Speaker, I think this is the proverbial nose of the camel going into the tent before the foot goes in the tent and then the whole body and then the whole nine yards, which means this is a full blown, basically it's a tax bill as a Trojan Horse, it's a tax bill in disguise.

"It says, let's look at all of the leakage, or let's look at all of the funding tax-wise that we're losing by not taxing internet sales. Mr. Speaker, what people fail to understand is that it's really a level playing field now. Every business that existed is a business that's going to survive is on the internet.

"And Mr. Speaker, having been a retailer for 15 years in Waikiki, I know every time that we had people, customers who were repeat customers at the Royal Hawaiian Hotel, we never paid GE tax. And I know a lot of people say, well this is for the sake that we got the brick and mortar, and they're paying more than anybody else. Well, anybody who is selling from Hawaii to the rest of the world, there's 6 billion people out there, doesn't pay the GE tax. There's a column in the monthly filing that says exempting. And if it's sent overseas, it's exempted. So, if we want this to be a reality, let's take away that exemption and say you can send stuff overseas and you can't get an exemption.

"But it's a misstatement to say that the brick and mortar are being punished, because every brick and mortar worth their cement is in effect on the internet. And if they're not on the internet, it's not working. So, Mr.

Speaker, with those in mind, perhaps someday we will have taxing on the internet, but now it's premature. This bill is not good news. Thank you."

Representative Fukumoto Chang rose in opposition to both measures 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 rise in opposition to HR51/HCR89. The resolutions call for a study to be conducted on taxing goods sold via the Internet, which is not a new issue for the State. We have been talking about this issue at a state level for years – as well as on a federal level. As such, I believe conducting another study on the topic would be redundant. Instead, we as the legislative body either need to make a policy decision or wait until the federal government unveils their proposed national uniformity on the issue.

"Furthermore, Mr. Speaker, many of my constituents shop online due to the high costs of goods and limited array of merchandise here in Hawaii. I believe my constituency is opposed to new taxes on purchases, including taxes on internet purchases. For these reasons, I am in opposition to HR51/HCR89. Thank you, Mr. Speaker."

Representative McDermott rose and asked that the Clerk record a no vote for him on both measures, and the Chair "so ordered."

Representative Tupola rose and asked that the Clerk record a no vote for her on both measures, and the Chair "so ordered."

Representative Evans rose to speak in support of both measures, stating:

"Thank you, Mr. Speaker. In strong support. I think it's really imperative that we talk about what's happening to our retail economy in Hawaii. And clearly, the internet is impacting a lot of our small businesses. I think it's important that we, as legislators, because clearly we want to see our economy grow and expand, and these small retail businesses are a huge part of what makes Hawaii. And I think it's important that we have this information, and so I strongly support moving this forward. Thank you."

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.R. No. 51, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM TO CONDUCT A STUDY ANALYZING THE IMPACTS OF RETAIL ON HAWAII'S ECONOMY, WITH A FOCUS ON THE PURCHASE OF GOODS THROUGH THE INTERNET," was referred to the Committee on Finance, with Representatives Fukumoto Chang, McDermott, Thielen, Tupola and Ward voting no, and with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused; and

H.C.R. No. 89, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM TO CONDUCT A STUDY ANALYZING THE IMPACTS OF RETAIL ON HAWAII'S ECONOMY, WITH A FOCUS ON THE PURCHASE OF GOODS THROUGH THE INTERNET," was referred to the Committee on Finance, with Representatives Fukumoto Chang, McDermott, Thielen, Tupola and Ward voting no, and with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Brower, for the Committee on Tourism, presented two reports:

(Stand. Com. Rep. No. 1351-16) recommending that H.R. No. 53 be referred to the Committee on Transportation; and

(Stand. Com. Rep. No. 1352-16) recommending that H.C.R. No. 92 be referred to the Committee on Transportation.

Representative Mizuno moved that the reports of the Committee be adopted, and that H.R. No. 53; and H.C.R. No. 92 be referred to the Committee on Transportation, seconded by Representative Evans.

Representative Cachola rose to speak in support of both measures, stating:

"Mr. Speaker, in committee I voted with reservations. And the reason why I voted with reservations, is nobody even came in to testify in support of the bill. But after reading the bill, I know how important it is for the people in Maui. For that, I will be voting in strong support. Thank you."

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.R. No. 53, entitled: "HOUSE RESOLUTION URGING THE VISITOR INDUSTRY, GOVERNMENT AGENCIES, AND THE VEHICLE GLOBAL POSITIONING SYSTEM INDUSTRY TO ENCOURAGE USE OF THE LAHAINA BYPASS," was referred to the Committee on Transportation, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused; and

H.C.R. No. 92, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE VISITOR INDUSTRY, GOVERNMENT AGENCIES, AND THE VEHICLE GLOBAL POSITIONING SYSTEM INDUSTRY TO ENCOURAGE USE OF THE LAHAINA BYPASS," was referred to the Committee on Transportation, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Kawakami, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1353-16) recommending that H.R. No. 26 be referred to the Committee on Finance.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.R. No. 26, entitled: "HOUSE RESOLUTION RECOGNIZING AEROSPACE AS A STRATEGIC AND TIMELY GROWTH INDUSTRY FOR HAWAII AND REQUESTING THE STATE ADMINISTRATION TO TAKE PROACTIVE, COORDINATED, AND SUSTAINED ACTION TO FULLY REALIZE THE SIGNIFICANT SCIENTIFIC, EDUCATIONAL, AND COMMERCIAL BENEFITS THE AEROSPACE INDUSTRY CAN BRING TO THE STATE," was referred to the Committee on Finance, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Kawakami, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1354-16) recommending that H.C.R. No. 59 be referred to the Committee on Finance.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.C.R. No. 59, entitled: "HOUSE CONCURRENT RESOLUTION RECOGNIZING AEROSPACE AS A STRATEGIC AND TIMELY GROWTH INDUSTRY FOR HAWAII AND REQUESTING THE STATE ADMINISTRATION TO TAKE PROACTIVE, COORDINATED, AND SUSTAINED ACTION TO FULLY REALIZE THE SIGNIFICANT SCIENTIFIC, EDUCATIONAL, AND COMMERCIAL BENEFITS THE AEROSPACE INDUSTRY CAN BRING TO THE STATE," was referred to the Committee on Finance, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Ito, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1355-16) recommending that H.R. No. 82 be adopted.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.R. No. 82, entitled: "HOUSE RESOLUTION DESIGNATING JUNE 27, 2016, AS "POST-TRAUMATIC STRESS AWARENESS DAY" TO ENCOURAGE ALL PUBLIC, PRIVATE, AND MILITARY SERVICE PROVIDERS TO CONTINUE EDUCATING SERVICE MEMBERS AND VETERANS AND THEIR FAMILIES, VICTIMS OF ABUSE, CRIMES, AND NATURAL DISASTERS, AND THE GENERAL PUBLIC ABOUT THE CAUSES, SYMPTOMS, AND TREATMENT

FOR POST-TRAUMATIC STRESS INJURIES," was adopted, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

Representative Ito, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1356-16) recommending that H.C.R. No. 129 be adopted.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and H.C.R. No. 129, entitled: "HOUSE CONCURRENT RESOLUTION DESIGNATING JUNE 27, 2016, AS "POST-TRAUMATIC STRESS AWARENESS DAY" TO ENCOURAGE ALL PUBLIC, PRIVATE, AND MILITARY SERVICE PROVIDERS TO CONTINUE EDUCATING SERVICE MEMBERS AND VETERANS AND THEIR FAMILIES, VICTIMS OF ABUSE, CRIMES, AND NATURAL DISASTERS, AND THE GENERAL PUBLIC ABOUT THE CAUSES, SYMPTOMS, AND TREATMENT FOR POST-TRAUMATIC STRESS INJURIES," was adopted, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki 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 Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki were excused.)

REPORTS OF STANDING COMMITTEES

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1357-16) recommending that S.B. No. 2310 pass Third Reading.

On motion by Representative Mizuno, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2310, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS," passed Third Reading by a vote of 45 ayes, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

At 1:06 o'clock p.m., the Chair noted that the following bill passed Third Reading:

S.B. No. 2310

THIRD READING

S.B. No. 2856:

On motion by Representative Mizuno, seconded by Representative Evans and carried, S.B. No. 2856, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Third Reading by a vote of 45 ayes, with Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki being excused.

At 1:06 o'clock p.m., the Chair noted that the following bill passed Third Reading:

S.B. No. 2856

ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, it's sad to ask for another moment of silence after last week having asked for the Brussels, Belgium terrorist attack. Having the Easter attack in Lahore, Pakistan is so sad, with Christian and Muslim children being primarily impacted by that. So, it is a sad moment, Mr. Speaker. I would request a moment of silence for this

body. And hopefully not next week or the week after we will have to do it again."

At this time, the Members of the House of Representatives stood for a moment of silence in honor of the victims of the March 27, 2016 Lahore, Pakistan bombing.

Representative Luke: "Mr. Speaker, we have a belated birthday boy in the House. Mark Nakashima's birthday was yesterday, so if we could wish him a one-day belated birthday."

At this time, the Chair stated:

"I just want to remind the Members, today is the resolution lateral filing deadline at 6:00 p.m. that goes to the next committee. Resolution lateral filing, 6:00 p.m."

COMMITTEE ASSIGNMENTS

The following measures were referred to committee by the Speaker:

<u>S.C.R.</u> <u>Nos.</u>	<u>Referred to:</u>
20, SD1	Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Finance
43, SD1	Committee on Education

COMMITTEE REASSIGNMENTS

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

<u>H.R.</u> <u>No.</u>	<u>Re-referred to:</u>
130	Committee on Finance

<u>H.C.R.</u> <u>No.</u>	<u>Re-referred to:</u>
180	Committee on Finance

ADJOURNMENT

At 1:09 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 29, 2016. (Representatives Kong, Lowen, Matsumoto, McKelvey, Oshiro and Saiki were excused.)