

## THIRTIETH DAY

**Wednesday, March 15, 2017**

The House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017, convened at 12:04 o'clock p.m., with Vice Speaker Mizuno presiding.

The invocation was delivered by Pastor Peter Kamakawiwo'ole of Calvary Church of the Pacific, after which the Roll was called showing all Members present with the exception of Representatives Ichiyama, Say and Yamane, who were excused.

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

## INTRODUCTIONS

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

Representatives Ward and McDermott introduced members of the Waikiki Rotary Club.

Representative Oshiro introduced his constituent and a world traveler, Mr. Lee Lewis of Cherry Lee Ona LLC.

At 12:14 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:41 o'clock p.m.

## ORDER OF THE DAY

## SUSPENSION OF RULES

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

## UNFINISHED BUSINESS

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1092) recommending that H.B. No. 335, 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. 335, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Third Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

At 12:43 o'clock p.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 335, HD 2

## THIRD READING

**H.B. No. 100, HD 1:**

Representative Saiki moved that H.B. No. 100, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise to speak in favor of House Bill 100, House Draft 1. The executive budget is the result of the hard work and input by the Finance Committee members. I would like to thank them for their dedication and spending many hours with me and the staff. They spent a lot of hours in

the weekends as well. And it's not just this budget bill but sifting through many subject matter issues that the committee addresses, so if we could thank the committee members at this point.

"I would especially like to thank the Vice Chair of Finance. Between the two of us, he's the reasonable one, if you can believe that. He keeps me at bay, and we talk a lot, we talk about how to address certain issues, so I really appreciate him.

"Every year I talk about how hard the CIP job is, and it is. This year the Governor put in \$1.5 billion of CIP requests over the biennium and, because of the budget picture, the CIP Chair was able to lower that, because of the concern about debt service, to \$1.1 billion, so it's a lot of hard work. So if we could also thank the Vice Chair of Finance and the CIP Chair.

"As you know, we're really concerned about the services in the community, and this Friday we are going to have a GIA hearing in the Auditorium to vet through over 200 applications, and the GIA Sub-chair has already started her work in vetting through those applications, so I wanted to thank her for her job.

"And, of course, last but not least, I just wanted to mention the Sub-chair on Unfunded Liability, he has done a lot of research, and it's fitting that we recognize him as well.

"I don't say this enough, but I do have utmost respect for and confidence in all of these folks. So many times we get through committee hearings and issues, and I'm just always amazed how much background these individuals and the members have. They bring their personal experiences, professional experiences, and they bring their individual knowledge to the Finance Committee, and so I value each and every one of you. I just don't thank you enough on a daily basis, but I should, because you really make my job easier than it is. So, thank you.

"At this point, I would like to thank the budget staff for their research and analysis in assisting the committee. They're sitting very nicely upstairs. You met some of them when they did the invocation. So it is my pleasure to introduce the budget staff, headed by Budget Chief Albert Vargas, if you can stand. And then members, if you could hold your applause. And CIP Specialist and Analyst Riley Fujisaki. Analysts, Ryan Louie, and if you think that last name sounds familiar, he's the son of former AG David Louie, but don't hold that against him, Darian Kwon, Alyssa Hayamoto and Erin Roh.

"And in addition we have from the front office, Legislative Aides Jennifer Byun and Steve Chan. And of course my trusted confidante, Nandana Kalupahana, who is hiding with the media folks in the back there. So, at this point, if you could help me in showing our appreciation for their hard work. Thank you.

"Mr. Speaker, it was not too long ago when the administration touted the \$1 billion surplus. And that drove me crazy, because this was almost *déjà vu*, and I told the Governor that since the last administration bragged about an \$800 million surplus—"

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

Representative Luke continued, stating:

"Mr. Speaker, I apologize. Last year, my speech went for 25 minutes, and a lot of members complained that it was too long, and I thought my speech was going to be shorter, but, clearly, I passed my five minutes. So, apologies to the members, don't complain this time.

"So we all know that whether it's \$800 million and \$1 billion, it's a point in time, and that surplus is good for one single day. And it was fitting that, since the announcement of the so-called surplus, both the Legislature and the Governor's Office spent months reshaping and clarifying the message that the financial picture did not look as rosy and robust as had been portrayed.

"Rather, the truth is that the general excise tax collections for several months now have been showing zero growth as compared to last year. Therefore, because of those indications, Council on Revenues reduced its projections from 5.5% to 3% in January, which resulted in a projected loss of about \$800 million over the biennium of fiscal year '18 and '19. And because of this, the Governor was good enough to reevaluate his budget, and he sent down several messages reducing his initial budget request, and we were able to incorporate some of those reductions as well.

"And having this financial picture in mind, the committee has reduced the executive budget request by about \$500 million, which included a reduction of \$74 million for accelerated OPEB payment.

"On Monday it actually got worse, because the Council on Revenues further reduced this year's projection from 3% to 2.5%, and readjusted downwards the fiscal outlook for the next two years, resulting in a further loss of \$250 million.

"And so, now we're in a position where we're going to be passing this budget, and the Senate is stuck with the March projections, which they will be looking at, clearly maybe additional cuts from the House Draft I as well.

"Because with the financial outlook, the budget is the recognition by the committee members that this is not the time to create new programs if they are at the expense of preserving our core services.

"Okay, and because of the complaints I received last year about me talking about everything that I added, I'm not going to go through every single thing that I funded or we funded through the budget. I'm just going to talk about one thing, so I want to just talk about one thing.

"Many legislators worked over the years on juvenile justice, including the current Human Services Chair, and then the Transportation Chair who worked on public safety as well. Juvenile justice was to ensure that our youths are given every opportunity to be kept away from the rigid corrections system.

"About 10 years ago, HYCF was under investigation by the federal Justice Department for mistreatment and abuse of the youth population there. During that time, HYCF housed about 100 youth, hitting a high of 240 juveniles in 2003, under the corrections model. These juveniles were held and monitored by prison guards.

"In recent years, based on national best practices, the State has begun evaluating and reevaluating juvenile justice and incarceration. And as more community services became available, the population has significantly dropped. And so today I am happy to report that HYCF houses only 20 youths. Eighteen of them are boys, two of them are girls. A lot of these kids are runaways and misdemeanants.

"Although we have made much progress, we have not evolved fast enough to deal with the changing population at HYCF. This population currently, many of whom are abused themselves, are kept as prisoners instead of receiving the services that they need.

"Sadly, half of the 20 kids are from neighbor islands, because we don't have enough services on the neighbor islands and we don't have facilities to house these kids. So right now HYCF has 57 guard positions for only 20 kids."

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

Representative Luke continued, stating:

"Thank you, Representative. This staffing model and the number of guard positions have not decreased with the juvenile population, and we need to make systemic changes now.

"That is why, in this budget, we have converted 20 guard positions to social worker or counselor positions, and we have spoken to both the director of HYCF and OYS, and they have said this is a positive move forward, because they've been struggling with how to deal with truant

population that is present at HYCF, as opposed to different types of issues that were there five years ago or ten years ago.

"So it is now up to them to realign these positions to best serve the youth population at HYCF. And through this budget, that's one of the ways that the committee hopes to touch these young people's lives to divert them from entering the criminal systems as adults. And this is one of the ways that the committee has found creative ways to make systemic changes for the future. So thank you again for allowing this committee to work on the executive budget."

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

"I stand in support. I just wanted to thank the Finance Chair. As my first year on Finance, she did a great job of mentoring. I also wanted to thank Albert and the team, because they showed a great deal of expertise and patience with a lot of us that were new and had a lot of questions.

"So I still have a lot to learn, but it was a great experience, and probably one of the most organized professional experiences I've had in dealing with the state budget. So I just want to commend the Chair and the committee, and continue to stand in support until we get the version back. Thank you."

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

"Mr. Speaker, I stand in support. I'd just like to offer a few comments. I will not rehash my structural considerations from the previous session.

"I would like to note that the money for Campbell High School, which is in fiscal year '19, I'm grateful that it's there. If that could be moved up to fiscal year '18, I think, just a note for the committee, I think if it's in '19, we absolutely miss the queue of this crest of students, and I don't know where they're going to put them. I think we'll have a degree of disruption, and I want to put that out there now, as I have in the past.

"Also, a concern I have, sir, is that there is not any money that I saw for East Kapolei or Ho'opili, which is another concern altogether, because if there's nothing even in fiscal year '19, you're talking five years beyond that before a campus would be open, up and running, and I just see this as a tsunami that is going to hit us, and we are aware of it.

"And finally, I'd like to say that, with regard to Campbell High School, Mr. Speaker, no one has worked harder, no one has held more meetings, no one has done more emails, no one has done more for that school than my colleague, the Representative of District 41 sitting over there, and I just want to salute you, sir. I know he's worked very hard. We have different roles here, and I have a little more freedom to speak my mind, but I know he's worked hard for the community, and I just want to be on record saying that. Thank you, sir."

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

"Thank you, in support. I'd like to adopt the words of the Representative from Ewa Beach, but I'd also like to add that the gentleman from Ewa has been around longer than I, and advocated just as much and just as hard, and it's great to work together for our community. Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. I rise with support, with concerns. Not with reservations, it's a new category in support. I have four concerns, Mr. Speaker. First is, let's be cautious. The good Chair of Finance said we got hit with an \$800 million deficit, then we just got hit Monday with a \$250 million deficit. Mr. Speaker, we'd better be cautious. We'd better step the straight and narrow, and not get too out of line. And we don't even have collective bargaining in here yet. So I just appreciate her mentioning that, as well as knowing that we as a body have to be very, very cautious.

"Second point, Mr. Speaker, second concern. Let's be prudent. Mr. Speaker, this budget represents at least 20%, and growing, of federal funds. I often tell my office, my family, particularly my daughter, that assumption

is the lowest form of information. Mr. Speaker, this body cannot assume that we have 20% of federal funds always guaranteed for us. In fact, there's already some cuts that are murmuring around in various places in the community, as well as in the departments, that there's going to be some cuts.

"We no longer have a Senator Akaka, we no longer have a Senator Inouye, we no longer have a President Obama. So let us be prudent with what we have, and do with what we have, and not always assume that things are just going to keep growing and growing, unless they get out of line, or out of proportion to what we assume we will be able to have.

"Thirdly, Mr. Speaker, let's expect results. If there's anything I usually complain about when people testify in the Finance Committee, and I'm really honored to have been a member for a decade or so, is we lack metrics, Mr. Speaker. We don't know with what has happened to the money, or what we can measure as the results, the accomplishments.

"I know in the old days, they tried it, and it didn't work. But unless you can measure where you are and where you're going, you don't know if you really spent your money well. I mean, look at us over the last three months and what we've been published nationally. We're the lowest in terms of our school accomplishments. We're the lowest in terms of roads. We're the worst in terms of cost of living. We're the worst, we haven't got the standing, if you will, that we should have.

"This is Hawaii. These are people with brains and with the ability to do better, but if we don't keep people accountable, i.e. the executive departments, to measure their results, everything looks good because there's nice narratives, and who doesn't back the budget because they're going to get their funding? So, Mr. Speaker, we should be much more measurement-oriented, much more metric-oriented.

"And fourthly, Mr. Speaker, my last point is, let's not forget our promises to the Department of Hawaiian Home Lands. All of you know, and we've repeated time and again, since 1920, it's been 97 years that we've promised with 203,000 acres to build Hawaiian homes.

"If I look at this budget, Mr. Speaker, and with what we promised 97 years ago, it's going to take us another 100 years before we fulfill that promise. There are cuts that have been made, and may be made even further, there's a court case that's still pending.

"The point is, we need to have a new paradigm, Mr. Speaker. Put the reality of the statistic, for example, homelessness, in terms of the highest population of indigenous people are Native Hawaiians. I'm not saying that this is a homeless prevention strategy, but it could be seen as that. If we don't fulfill the promise of putting Hawaiians on the land, homelessness will continue. As we know, Micronesians are the first, second are Native Hawaiians.

"Mr. Speaker, this has to be seen in a different light, in a different paradigm, in a different way of seeing that we can be active, because, generally in Hawaii, they say, land is too expensive, we can't build housing. Well, they got 203,000 acres. How much does Bishop Estate, Kamehameha Schools have? Three hundred sixty-five thousand acres. So it's the second biggest landowner who we don't fund enough to build the houses of which we could be doing.

"So Mr. Speaker, I just end with that reminder that before we can say we're going to house the homeless, we're going to do Section 8, we've got to make sure that this commitment has been made.

"In summary, Mr. Speaker, let's be cautious, let's be prudent, let's expect results, and let's not forget the Native Hawaiians. Other than that, it's an excellent budget, and the Chair has done an excellent job. Thank you."

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

"Mr. Speaker, I stand in support. First, I want to thank the Chair of the Finance Committee, because she has the responsibility of being fair but being very conservative, and this budget is actually fair and very conservative. So I want to thank her for all her hard work.

"I would now like to thank the Finance staff, because I've seen them work, and the questions that they take from not just the Chair and myself, but also from the other committee members.

"And then I want to thank the Representative from Maui, CIP Chair, because we have fought with overcrowding on not just the Kapolei-Ewa area but also in Waipahu, and within the CIP budget, if you look at not just Campbell having the money for the building, but planning at Kapolei High School, but one of the areas that actually have the biggest need was East Kapolei Middle School. And in the budget there is East Kapolei Middle School to alleviate Kapolei Middle School overcrowding, which is one of the only track schools left in the State.

"And the other Representative from Kapolei, who does a lot of work within here and has known to be very vocal on this issue, to see this in the budget, and to see the work that we've done with the CIP Sub-chair, and him noticing the importance of us addressing the overcrowding issue.

"I'm going to stand on the rest of my comments and request for permission to enter more written comments. Thank you."

Representative Cullen's written remarks are as follows:

"As stated earlier, Mr. Speaker, I stand in strong support of HB 100, HD 1. Kapolei Middle School has been on a multi-track schedule since 2003 to cope with the school's overcrowding due to the continued growth of the Kapolei region. This state budget proposed with the amendments includes the funding for the construction of East Kapolei Middle School to address overcrowding in our middle school.

"I would like to emphasize that the inclusion of these funds furthers the Hawaii State Legislature's intentions in passing SB 1345, HD 1, CD 1, Act 116, Session Laws of Hawaii 2015, to collaborate with the state Department of Education and end the use of a multi-track schedule at Kapolei Middle School.

"I also strongly support the inclusion of the remaining funds necessary to plan, design and construct a classroom building at Campbell High School and Kapolei High School. These proposed CIP appropriations in HB 100, HD 1 should significantly contribute to the family's quality of life, teacher's work environment, and student's learning potential in these communities."

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

"Mr. Speaker, I rise with slight reservations of this measure, which is House Bill 100, House Draft 1.

"Mr. Speaker and members of this House, my reservations today addresses a department that all of you should recognize and realize generates a huge amount of revenues to the State of Hawaii. It is not a tax increase. It is not a fee increase. It is a measure that tries to support a department that is trying to do its job.

"Members, the Department of Taxation has taken some cuts that I think should be restored, and that was on the personnel position counts, and one that really bothers me, since my years here in the State House, the transfer of a program in the development of the tax modernization system.

"In 2015, the executive branch signed a contract with a vendor called Fast Enterprises, LLC from Idaho. This vendor has worked in 24 to 25 other states in improving their particular state's modernization of taxes.

"The concern is that this particular program, as it has been rolled out now for three years, and it's in stage three of the five-year rollout, will be transferred to the Department of Accounting and General Services.

"I don't know if DAGS is prepared to take this IT project on, and if this particular vendor contract will be rescinded or canceled. May I say to all of you, this particular contract that was signed in 2015 is a \$30 million contract, and it is achieving its goals to modernize our present tax system.

"I ask this afternoon, to the members and to the senators who are listening, is this, give this vendor a chance. Give this vendor a chance for the next three years of '17, '18 and '19, when the contract expires. I'm proud to say that they may be about 25% to 30% accomplished in the general excise tax and the TAT. And if this program, or this vendor and this modernization program goes to DAGS, will it fall through the cracks? In anticipation of rollout four and five, in regards to what else, members of this House, your income tax, which the State of Hawaii is in charge.

"This reminds me of a parable that some of our old-time colleagues who have sat in this chamber talked about, where there was a fisherman in Hawaii who had a boat with his equipment that goes fishing every day to supply the village and community that he lives in. His fishing equipment was made up of glass floaters that kept the net above the sea line. The net had a weight, lead weights, to pull the net down to the bottom of the reef or the bottom of the ocean to catch the fish. Somehow, the difficulties in catching the fish began to occur when he was missing the school of *akule*, *'ōpelu* or *halalū*."

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

Representative Say continued, stating:

"And because, for all of us in the net, there were a lot of *pukas*. The parable today is this. Let us give the Department of Taxation the resources to do their collections, to do their audits, to modernize the system that, yes, for those who have been for a great number of years, we've had a difficult time with Department of Taxation.

"And it's not just the prior governors, but it goes back to the 1990s, if any of you had the time and spent the time in reading our legislative auditor's report. If you want to change mid-stream now, that's the will of this body, but I should not complain when revenues in taxation do not occur. I will never complain, but say, let's be aware of what we are anticipating.

"Mr. Speaker, I would like to see if we could give them the resources to fix that glass floater, to replace that lead weight, and to come up with the tools to mend the fishing net, because those are the loopholes, those are the loopholes that are getting out, where individual taxpayers and corporations are not paying their fair share.

"I recall a major incident during the pre-session briefings that they're not up to par. Well, give them a chance. This is not a bill to increase taxes. This is not a bill to increase fees. This is a bill of execution and implementation of the laws we that have on the books.

"Mr. Speaker, I didn't want to say much, but I just had to say it for the greater good of this body that I respect so much.

"Mr. Speaker, in closing, may I just conclude by saying this, and this was at the beginning of my speech, how do you like that? I would like to congratulate and thank the Finance staff who are up there, session employees and regular employees, the full-timers, members of the Finance Committee who went through the budget thoroughly, looking at the worksheets very thoroughly and looking at the different cuts and additions.

"And more importantly, thank you very much to the Finance Chair and Vice Chair for guiding us in the right direction. And like other members have said, thank you very much to the Chair of the Sub-committee on GIAs and the Sub-committee Chair of CIP.

"It's a monumental task in coming up with a balanced budget. But as of today, I'm very proud to say it is a balanced budget with this 2.5% projection.

"Sometimes I ask myself, which as a former Finance Chair, I would like to challenge you know who, Mr. Speaker? The members of COR. What is COR? The members of the Council on Revenues, who always, always are very optimistic as we move into session in January. And then we don't achieve those projections, what happens? We make the cuts. We have to prepare for the cuts. I would challenge the COR, as a group, that they come up with reliable projections that are tied to the information that they gather from the Department of Taxation.

"So in closing, Mr. Speaker, I would like to say this once more, congratulations on a balanced budget to the Chair and Vice Chair and members of the committee, and the House leadership, and also let's not be penny wise, pound foolish.

"So I hope this message has gone to the Senate, because I am concerned about the leakage that has occurred, the leakage that revenues we are not getting for the people of the State of Hawaii. So thank you very much and *aloha*."

Representative Luke rose to respond, stating:

"Thank you, in support. First, I wanted to address some of the concerns by the Representative from Hawaii Kai. I completely agree, and during the informational briefing, he and I were actually the tag-team partners where he set the stage and questioned the departments, and he tagged me and I'd go, but not literally tag me, but kind of in that way. So when he talks about how we need metrics and accountability, that has been so true with a bunch of departments, and because of him and our new members we were able to do that better, so I really appreciate what we did during informational briefings, and I do hear a lot of the concerns as well.

"One of the things I wanted to address is tax system modernization, and I wanted to at least share some of the stories that I had with tax system modernization, which is similar, actually, to the experiences from the Hawaii Kai Representative. He and I are both GE filers, and we have been trying to register online under the new tax system modernization to pay our taxes, what we should be doing. And both he and I had a difficult time registering, and it could be because we have a similar intellectual level, but then, so I thought, okay, maybe it's user error by him, user error by me, because we may not be the smartest two cats in the State.

"But come to find out, the State wanted 100% participation of people to register online, because the whole system about tax system modernization is not about tax collection, it's about recordkeeping so we can figure out how the GE corresponds with other records, and it was to have a centralized system of collecting these data. And we come to find out through numerous budget hearings, numerous questions to the Department of Taxation, that only 30% had registered. Prior to tax system modernization, a little bit more than 30% registered online under the old system.

"So they haven't made any improvements at all, and it was because the Governor's Office, along with OETS, the Office of Enterprise Technology Services, were very frustrated that they're getting all these complaints about people not being able to pay taxes online, which hurts the State, which hurts the economy, and we have numerous complaints where they couldn't register online, so they had to do it by paper. And then they paid their taxes in January. Guess what? These tax funds got only cash two weeks ago."

Representative Morikawa rose to yield her time, and the Chair "so ordered."

Representative Luke continued, stating:

"So it's been sitting in a mailroom because people couldn't pay their tax immediately online. That's a failure of the system. It's not failure of the department and the department's role in collecting taxes, but it's a failure in how we're trying to figure out how this system works.

"So it's not a reduction in personnel. What OETS wanted to do, along with some members of the Legislature, is, with those experts in DOTAX, we are moving them to OETS, so that OETS can help DOTAX to make sure that people can pay taxes online, a lot of the security issues are not interfering with voluntary taxation, because if you make it so difficult for members of the public to pay taxes online, and voluntarily, people are not going to do it.

"And so why would the State stand in the way of making it easier for people to pay? I mean, I'm dreading the next time the Hawaii Kai Representative and myself, we have to go online again, and we won't be able to pay our taxes. And then we have to do it by paper, and they're not going to deposit our checks for six weeks. That is not acceptable, and it should not be acceptable to the members of the Legislature.

"So what we're telling the Department of Taxation is, okay, we're going to take the personnel in charge of the systems management, not the tax collection, and move you folks so that you can work under the expertise of OETS, who knows how to work on IT to better manage, because, can you imagine, 30% is the GE tax rate for online filing? Who knows what's going to happen when we get to income tax, where all of us have to pay?"

"So before we get to the income tax, we can't just have this mentality that, because it's a rollout we've got to just continue to do the rollout. That's what's wrong with state government. We cannot just continue to do what we're doing because that's what we do as state government.

"If there's a problem with the GE collections, and only 30% are doing it online, we have an opportunity to fix that now, before all of you guys have to pay taxes online for your income tax. Can you imagine how many calls you guys are going to get? So this is an opportunity for us to fix the problem now, before it gets out of hand. Thank you."

Representative Ward rose to respond, stating:

"Still in support, Mr. Speaker. I just want to underscore the last two speeches, Mr. Speaker. They're very, very important, because the tax collection process is of ultimate concern, whether you have less employees doing it or you've got a system that is very, very frustrating, even though I never knew we were wrestling partners, actually, this is a new one. I enjoy that, even though it was more of an inquisition. I would be the first fiscal kind of forensic, and then she would knock the guy out of the chair, and it would be practically over with.

"It was very revealing, and my biggest complaint to the office of taxation was that I want to pay them money, and they want to charge me to pay them. Now they say that's going away, it hasn't gone away yet. But for the average taxpayer, why should I have to pay you 1% if I'm going to pay you by credit card, or I've got to pay you a couple bucks if it's by my debit from my account?"

"Mr. Speaker, it's not common sense, it's not the way government should work, and like the other things that rank us down at the bottom, we can do better than this. I totally agree with the Chair. Thank you."

Representative Tupola rose to respond, stating:

"Still in support. I also wanted to underscore and support what the Chair said. Delving into these issues in the committee was so eye opening, to figure out that some of these issues were IT-based.

"And moving it into a department that has more expertise in that just makes all the sense in the world, when all we do is talk about taxes and that we need revenue. And so, I just wanted to also reaffirm that I agree, and I thought that that was the step in the right direction, to put it under the IT area and try to get that fixed, so that we don't lose millions of dollars that we really need in this state. Thank you."

The motion was put to vote by the Chair and carried, H.B. No. 100, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Third Reading by a vote of 50 ayes, with Representative Say voting aye with reservations, and with Representative Ichiyama being excused.

At 1:22 o'clock p.m., the Chair noted that the following bill passed Third Reading:

H.B. No. 100, HD 1

**ANNOUNCEMENTS**

Representative Woodson, for the Committee on Education, requested a waiver of the 48-hour advanced notice requirement for the purpose of hearing the following measure on Wednesday, March 15, 2017, at 2:30 p.m. in Conference Room 309, and the Chair "so ordered."

S.B. No. 224, SD 2, Relating to Psychology.

Representative LoPresti: "Thank you, Chair. I just wanted to announce that our Attorney General Doug Chin has succeeded in getting a temporary restraining order on President Trump's travel ban. To quote the judge, he has met the burden of establishing a strong likelihood of success on the merits of their lawsuit, and I think that's wonderful news. Thanks."

**LATE INTRODUCTIONS**

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

Representative Luke introduced from Maui: Mr. Jock Yamaguchi, First Assistant to the Managing Director; and Mr. Steve Teruya.

Representative Ward introduced Mr. Randy Iwase, Chair of the Public Utilities Commission; and Mr. Bart Dame.

**COMMITTEE ASSIGNMENTS**

The following measure was referred to committee by the Speaker:

<u>S.B.</u> <u>No.</u>	<u>Referred to:</u>
469, SD2	Committee on Judiciary, then to the Committee on Finance

**COMMITTEE REASSIGNMENTS**

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

<u>S.B.</u> <u>Nos.</u>	<u>Re-referred to:</u>
501, SD1	Committee on Health, then to the Committee on Judiciary
1150, SD2	Committee on Energy & Environmental Protection, then to the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Consumer Protection & Commerce

**ADJOURNMENT**

At 1:24 o'clock p.m., on motion by Representative Evans, seconded by Representative Ward and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Thursday, March 16, 2017. (Representatives DeCoite and Ichiyama were excused.)