

FIFTY-NINTH DAY

Tuesday, May 2, 2017

The House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017, convened at 9:08 o'clock a.m., with Speaker Souki presiding.

The invocation was delivered by Mr. Augie T., after which the Roll was called showing all Members present with the exception of Representative Ing, who was excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 730 through 735) were received and announced by the Clerk:

Sen. Com. No. 730, transmitting H.C.R. No. 89, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS AND THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO CONVENE A BASIC ECONOMIC SECURITY WORKING GROUP," which was adopted by the Senate on April 28, 2017.

Sen. Com. No. 731, dated April 28, 2017, informing the House that the Senate has on April 27, 2017, reconsidered its action taken on April 13, 2017, in disagreeing to the amendments proposed by the House to the following Senate Bills and have moved to agree to the amendments, and that said bills have this day passed Final Reading:

S.B. No. 133, SD 2, HD 2
S.B. No. 562, SD 1, HD 1
S.B. No. 969, HD 2

Sen. Com. No. 732, dated April 28, 2017, informing the House that the Senate has on April 27, 2017, reconsidered its action taken on April 11, 2017, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 1002, SD 1, HD 1

Sen. Com. No. 733, dated April 28, 2017, informing the House that the following bills have this day passed Final Reading:

S.B. No. 194, HD 2, CD 1
H.B. No. 832, HD 1, SD 1, CD 1

Sen. Com. No. 734, dated April 28, 2017, informing the House that the Senate has agreed to the amendments proposed by the House to the following Senate Concurrent Resolutions and that said resolutions were this day adopted by the Senate:

S.C.R. No. 32, SD 1, HD 1
S.C.R. No. 78, SD 1, HD 1
S.C.R. No. 105, SD 1, HD 1
S.C.R. No. 162, HD 1

Sen. Com. No. 735, dated April 28, 2017, informing the House that the Senate has disagreed to the amendments proposed by the House to the following Senate Concurrent Resolution:

S.C.R. No. 153, SD 1, HD 1

INTRODUCTIONS

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

Representative Matsumoto introduced her intern, Angela Bochi of Ukraine, a participant of the U.S. Department of State Professional Fellows Program.

Representative Ward introduced his intern, Anatolii Kutsevol of Ukraine.

Representative Takayama introduced Mr. Pedro Haro and members of Caring Across Generations; and Mr. Mark Tom, Deputy City Prosecutor.

Representative Thielen mentioned that her son Dave Thielen will be blogging from the Eurovision Song Contest in Ukraine in May.

Representative Ito introduced his intern, Sargis Torosyan of Armenia, a participant of the U.S. Department of State Professional Fellows Program.

Representative Belatti introduced members of the Women's Coalition and representatives from ACOG: Ms. Anne Freed, Ms. Kat Brady, Ms. Laurie Field and Ms. Cindy Goto.

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 and Senate Bills for Final Reading by consent calendar.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 135 and H.B. No. 100, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 100, HD 1, SD 1, CD 1 pass Final 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 the executive budget. Mr. Speaker, I'm going to keep my comments short. I just wanted to take this opportunity to thank a lot of folks. First of all, I would like to thank the committee members. I always thank the committee members, but this year, for the first time in several years, we were looking at somewhat of a stagnant economy, and the committee really took into heart about what's going on, and to ensure that the future generations have the funding that's available, especially with collective bargaining looming and with some slowdown in the collection of GET.

"So I really want to thank the committee members and I really enjoyed working this year with every single one of them. So especially my Vice Chair, if I could get a round of applause for my Vice Chair.

"And this individual always tells me, oh, you don't have to thank me, but I feel really like I need to thank this individual and that is, he knows who he is, that's the CIP Chair, the good Representative from Upcountry Maui. I mean he has done a terrific job, especially with the challenges we faced this year, the Governor introduced a budget that included a little over \$1.3 billion worth of bonds and the Governor requested that the House take down the authorization to less than \$1 billion, and he was able to do that. He worked very diligently, and with the Senate counterparts, so he was able to put the CIP budget to bed early. And so because of that, we were able to get the budget done significantly earlier than years past, which allowed a lot of smooth transition in releasing the bills. And unfortunately, my apologies to the freshmen, they weren't able to witness the last-minute Friday cattle call in Room 309, but this is how the legislative process should work, in an orderly and professional way, so that goes a lot to do with what the

Upcountry Representative did, so if we could get a round of applause for him.

"And of course the GIA Chair, the Representative from Big Island, this was her first time looking through all the GIAs, 270 applicants, and for her to be able to choose and sort through the various noteworthy and terrific nonprofits out there, I give her a lot of credit, she spent a huge amount of time. It was a learning curve but she was able to get her job done, and I owe a lot of gratitude, otherwise a lot of these individuals would have come seen me, so I pretty much said, okay, it's up to the Representative from the Big Island, so if we could give her a round of applause.

"And of course I always thank the staff, but it's not just my staff, they deserve a lot of gratitude, but it's every one of your staff. Every one of the Finance members' staff, they're there before you guys, the members, are there, making sure that information's loaded onto their computers, making sure that they have the information that they need, and they do a lot of legwork behind the scenes for the individual Finance members who put in a tremendous amount of time. So if we could give a round of applause to all of our staff as well.

"And I owe a lot of gratitude to the Senate. In the last week we were hearing all kinds of things going on on the Senate side, I mean, it's so calm over here compared to that side. And then I don't know what's going on on that side, but every day I would be like, okay, what's the new rumor going on? But despite that, the Senate WAM Chair was calm, despite the rumors that she was being ousted today or yesterday or the day before, and so every day I would go in and go, okay, am I going to be looking at a new person across the aisle, or what's going on on that side. But thank goodness it calmed down, because we're here to do the people's business and they need to leave all those political things on the side and make sure that we can get the business done. So I'm thankful that at least for right now I think everything is calm so, oh, I used up my time already."

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

Representative Luke continued, stating:

"Thank you, Representative. So a lot of gratitude to the WAM Chair, because she still kept her composure. Me being who I am, if things like that happened to me I would be like, grrr, but she kept her composure, she said, okay, we still need to get the budget done, we still need to pass the bills. My gratitude to the Senate and the various Senate members. I always say, conference is a time that we get a little crazy and emotions get a little heightened, but the Senate members and the House members were able to come together and work on a good budget, and we had lot of terrific bills pass this year, so my gratitude to the Senate President and the members of the Senate. I know they're probably going into session as well, but I wanted them to know that we appreciate them and it's hard for them just as it's hard for us, so if we could give a round of applause to the Senate, even though they don't know that we're giving them a round of applause. But I'll be sure to text them so they give us a round of applause, too.

"And especially the freshman class, the only one I really miss having is the appointed Representative from Hilo, but the freshman class this year was really a standout, they asked a lot of questions, they were really prepared, they seemed to be enjoying being on Finance, although they could be pretending, but they let me think that they enjoyed it, so hopefully they learned a lot and hopefully next year it'll be even more fruitful for them.

"And lastly I want to thank you, Mr. Speaker, for giving me this opportunity again. Every year I learn more things about the budget, and every year you folks challenge me to do better things for the State of Hawaii and for our citizens, so I want to thank all of you folks. And with that, I think the budget stands on its merits, and I'm very proud of the budget, so thank you very much."

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

"Thank you, Mr. Speaker. Strong support. Mr. Speaker, some say we haven't done enough to protect our *kūpuna*, our children and our homeless. We are criticized for not moving fast enough, or turning our backs on the

problems, or not putting funds in the right places. But Mr. Speaker, we all know that those few comments are not true. We do all we can to protect our most vulnerable populations. We do our best and we have accomplished a lot.

"This year we will begin the plan and preliminary implementation of our Kupuna Caregivers Program and have funded the *kūpuna* Healthy Aging Partnership. The Hospital and Nursing Facility Sustainability Programs will continue for another two years. The Wiley Kaikou Muir Act will require childcare providers obtain and maintain liability insurance, and for our homeless population there will be a working group to examine and develop recommendations to establish safe zones.

"Mr. Speaker, our human services budget highlights this year are \$3 million in general funds for FY18 for Housing First Program, \$1.5 million in general funds for FY18 for homeless outreach services, \$250,000 in general funds in FY18 for legal services for homeless persons, 29 permanent positions and \$1.8 million in FY18 and \$2.5 million in FY19 in general funds for multi-skilled worker pilot program, \$1.5 million in general funds and \$2.3 million in federal funds in each fiscal year for nursing facility inflation factor, and \$240,000 in general funds in FY18 for juvenile justice and delinquency prevention.

"Mr. Speaker, there are many other human services accomplishments this year, and we have all contributed to moving these good policies through. So thank you colleagues for your support and hard work. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support. I'd like to echo the comments made just previously regarding *kūpuna* and homeless. The state budget includes for *kūpuna* \$4.1 million for the Kupuna Care Program. This as you know is separate from the Kupuna Caregivers Program, which I'm sure will be discussed later. Also, \$1.7 million for the Aging and Disability Resource Center. This of course is the intake referral network that we have statewide. And also for *kūpuna*, one permanent position and \$157,000 for the Long-Term Care Ombudsman Program. This ombudsman has been operating pretty much alone and cannot go statewide and certainly cannot inspect all of the long-term care facilities that probably would be improved or at least more alerted if they had more frequent inspections.

"In the area of homeless, we have \$500,000 for homeless individuals with serious and persistent mental health problems, and \$800,000 for homeless with severe substance abuse problems. And also we have six permanent positions added with \$422,000 for vector control. Our vector control program was once almost decimated, and we have in the last several years built that up.

"In short, we have a huge area of homeless that has grown. I noted that when I first arrived back here we had approximately half of what we have today being spent on homeless, so while this homeless program cannot sit on its laurels, I think we have made a meaningful and huge impact in trying to address the problem. So for these reasons, I stand in support of HB 100, the state budget. Thank you."

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

"Mr. Speaker, I stand in strong support of the state budget. Aside from those that were already stated by previous speakers, I'd just like to zero in on one of the funding that was placed in this budget, and that is for the funds to more or less fund the burial assistance of Filipino veterans. Even if the amount is too small, \$50,000, and be matching funds, we are very grateful because it has been long overdue. And I know that this is only funded for one year, it's just the beginning. Even if it's funded only for 2018, not all the Filipino veterans will die the same year. Hopefully, as we go forward, we will be funding more by giving assistance to the Filipino veterans.

"On a personal note, when my father died here in Hawaii, as a guerilla fighter in the Philippines, we were in a quandary whether we would send his body to the Philippines to be where my late mother was buried. But I decided not to. And the reason for that is by both my parents being good parents, I

know that my late father will be meeting my mother in heaven and they'll be reunited.

"I want to thank the Legislature for funding this for one year. We will be doing some fundraising, because the provision says we have to match it dollar for dollar. I'll try to see if I can initiate more or less a fundraiser for this, and hopefully next year this legislature will again fund some assistance for the burial assistance to Filipino veterans. We know that they have sacrificed their lives for freedom, and as you know, we'll be forever grateful. Thanks to the budget chair and all the members. *Mahalo*, Mr. Speaker."

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

"Thank you, Mr. Speaker. Mr. Speaker, I stand in strong support. There are many great things about this budget, but I wanted to briefly speak about the somewhat renewed attention to public education. First, Mr. Speaker, I greatly appreciated the added \$1.1 million in A funds with respect to the SIS enhancement and expansion.

"Mr. Speaker, SIS stands for Student Information System, and the system, in essence, allows the Department of Education to increase its effectiveness and efficiency both vertically and horizontally as it relates to communications both in and out of the system. Communications with teachers and administrators are greatly improved, communications with teachers and parents are greatly improved, and just as an example of the latter, Mr. Speaker, the system allows the ability to send both emails and/or text messages to parents with respect to things like how their kids are doing at certain critical points in the semester, if their children are absent, and other relevant information. So Mr. Speaker, studies show that learning outcomes are increased with increased participation of our parents. So I'm grateful for that particular funding.

"Also, Mr. Speaker, I notice that there was \$550,000 for early learning as we continue to build up that program. Mr. Speaker, these programs help with mental and emotional development as well as other important skills for our kids before they enter into the kindergarten system. So in essence this allows them to be better prepared when they come of age to enter into kindergarten.

"On the other end of the spectrum, Mr. Speaker, I am appreciative of the expansion of early college, \$1 million in each fiscal year. Mr. Speaker, this program allows high school students the opportunity to take college classes in the familiarity of their high school settings. It also allows for something called dual credit, dual credit meaning it allows kids to earn both college credit and high school credit at the same time. So this system is building out again, and it's something that is proven to not only make it so more of our kids are going to college, but also making sure that more of our kids are actually graduating with an associate's or four-year degree. So I'm grateful for that.

"And speaking of college, Mr. Speaker, I am overly ecstatic, I will say, that there is money incorporated into the budget for the University of Hawaii's Promise Program. We learned through our committees that the greatest financial need is in fact at the community college level, so it's prudent, at least in my mind, to start the program first at the CC system level. Hawaii Promise Program says that if you qualify for in-state tuition and if there is a financial need, in terms of you qualifying for financial aid, but there's a gap that needs to be filled, then we will in fact absorb that cost in terms of the rest of your financial needs, Mr. Speaker. So what we're saying is, if you want to invest in yourself, if you want to receive a formal certification in auto mechanics or if you want to earn an associate's in laboratory technician school, then we want to invest in you, Mr. Speaker, because if we do that, then the rest of the community is stronger.

"So these are some of the highlights as it relates to public education in general, and I'm grateful that they're incorporated into the budget. Thank you."

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, there are elements that believe that the answer is to raise taxes. However, I think that we find that

there are other answers, and that is to invest in our economy. The current state budget before us does exactly that. It helps to invest in our economy and looking forward to our future. With \$1 million each in the Accelerator Program for High Technology, in the manufacturing grants, and the small business innovation research program, these are investments in our economy that will pay off for our future.

"In addition to that, we are looking at establishing new businesses and opportunities in Hawaii by looking at the establishment of a small satellite launch facility in the State of Hawaii, as well as looking at a feasibility study for basalt manufacturing. In these ways, Mr. Speaker, I think that this state budget is looking forward at the possibilities of Hawaii's future for growing our economy. I would like to thank the Finance Chair and Ways and Means Chair and members of the budget conference for this faith in our future. Thank you."

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

"Thank you, Mr. Speaker. Mr. Speaker, I rise in strong support. I want to thank the Chair of Finance and all the Finance committee members, including my Vice Chair of Agriculture, for all their hard work in drafting this budget and for their support of agriculture. I'd like to mention some of that support.

"First, this bill will add \$1.5 million in general funds in FY18 for the Agricultural Loan Revolving Fund. It will add two permanent positions at \$226,000 in FY18 and \$200,000 in FY19 in general funds for the Agricultural Food Safety Certification Program. This bill will add one position and \$115,000 in general funds each fiscal year for the Industrial Hemp Pilot Program. It will add three permanent positions and \$79,000 in FY18 and \$158,000 in FY19 in general funds for pesticides compliance. It will add \$750,000 in general funds each fiscal year, non-recurring, for pesticide regulation expenses and studies.

"In related areas, this bill will provide \$750,000 in general funds in each fiscal year, non-recurring, for rapid 'ohi'a death response. And it will add \$4 million in general funds in each fiscal year for the Hawaii Invasive Species Council. Finally, this bill will also provide \$500,000 in general funds in each fiscal year for rat lungworm disease. It is hoped that some of these funds can be redirected to Dr. Jarvi and her team at UH Hilo to continue their critical investigations of rat lungworm disease. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. I'd like to first thank the Finance Chair, the CIP Chair, and my fellow Finance committee members as well as the Senate WAM committee. I would be remiss if I didn't say these things from the floor, because when I sat in this chamber two and a half years ago, the burden of having 3,500 students crammed into a school, James Campbell High School, a school that was built for the capacity of 1,500 and the largest 9th to 12th grade public school institution in the State, weighed very heavily on my shoulders, Mr. Speaker.

"With this new budget, we're doing the right thing by the *keiki* and the youth and the young adults on the west side of this island by working to give them the same quality education that all other students on this island receive. With the \$27 million going to James Campbell High and another \$77 million going to a brand new middle school in East Kapolei, or what I call Ewa, the future of these students looks bright, as long as we keep supporting them as they rightly deserve. Thank you."

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

"Thank you, Mr. Speaker. Strong support. We hear many thanks from the Chair of Finance, and the work that she does, and I was able to witness the steadiness and consistency with her work ethic that is very impressive, and I've been able to witness that. And as many of the chairs mention today on how fair and responsible this budget is for the State as it moves forward, the State in her hands has done many great things and will continue to do it.

"It was mentioned about the East Kapolei Middle School project by another member, which is important, and as a body supports it, regarding

the other Representative from Makakilo that has pushed many years regarding this issue, and to address one of the only track schools left in the State is going to be very important in this budget.

"And when we come together here in the body and we look at it, I just really want to thank her for her work as the Chair of Finance, and if we could give her a round of applause for the work that she does. And I will request 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, SD 1, CD 1. This budget is not perfect, but we have truly made it a responsible, fair, and balanced budget that addresses many needs within our communities statewide, and we will continue to address many more in the coming years. Some of the House committee chairs and individual members mentioned earlier through their budget highlights the subjects of higher education, *kūpuna* care, and food safety, just to note a few.

"One of the biggest pieces for our community in this budget is the East Kapolei Middle School. 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 includes 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. These capital appropriations in this measure significantly contribute to the family's quality of life, teacher's work environment, and student's learning potential in our communities."

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

"Mr. Speaker, I rise in, I think I'm the only one this morning who probably will rise with reservations. And I wanted to raise a red flag which is in the state budget, and that is the Department of Taxation. Earlier, when we had the first draft of House Bill 100, I spoke on the floor, and may I request that the statements that I made on the floor on the first draft, House Draft 1 of House Bill 100, be incorporated as today, and secondly, may I also submit written comments in regards to the compromise that they did on the Department of Taxation.

"Earlier, I stated for the record that the Department of Taxation does tax services, tax compliance, tax audits, *et cetera*. And with the cuts that occurred in the tax modernization contract, it really bothers me, because it is going through a three-year rollout right now, and it ends in 2019. My thought would be to all of you to make you folks aware, that if this impact of six temporary exempt positions are transferred from this program, they may not be able to continue this particular contract of modernization. It is a major concern. It was signed as a contract in July of 2015, and my point to the members of this House and the Senate, that we should allow that department, that office, to continue on with Fast Enterprises, the contractor and vendor that is doing it.

"I'm very happy that they restored the field audit positions, and that was tied to all of us recognized as medical marijuana, that every county will have an auditor to audit and monitor the cash flow of medical marijuana sales. But more importantly, for the record, I just wanted to share with the members and the Senate that I truly hope it does not impact this particular contract that is in the third rollout. So for these reasons, I stand with reservations. Thank you."

Representative Say's written remarks are as follows:

"Mr. Speaker, my reservations of HB 100, HD 1, SD 1, CD 1, Relating to the State Budget, deals with the state Department of Taxation. CD 1 of the state budget reflects cuts to the Department of Taxation executive request

for positions in the Compliance Division to Act 160, Session Laws of Hawaii 2015.

"The other request of the executive branch dealt with two permanent positions for the DOTAX Office Audit Branch. The positions were for tax return examiners which are needed to enforce compliance, and finally, a reduction of two permanent positions of an auditor and tax examiner. The greatest impact to the Tax Department occurred in Tax 107, Supporting Services—Revenue Collection. The conference draft transferred six temporary administrative rules specialists and \$900,000 in general funds in each fiscal year of 2018 and 2019. These temporary positions were utilized for the Tax System Modernization Project with Fast Enterprises, LLC (the vendor) and with the State of Hawaii. The project is in the third rollout out of five rollouts of the software installation. This is a five year project and we (the State) and (the vendor) have finished the software installation with the third rollout finishing in August 2017. Since we are committed to this project, we should see it through to July of 2019.

"The completion of this project will systemize and improve revenue support of the general excise tax, income tax, corporate tax, transient accommodations tax, and other revenue collection data. These positions are key implementation staff for the duration of the project, and they are people with technology experience. I am also worried that this could have a negative effect on the morale of the remaining positions. In closing, fear and uncertainty could lead to others on the project leaving entirely.

"It is for these reasons that I have strong reservations on HB 100, HD 1, SD 1, CD 1. Thank you."

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

"Mr. Speaker, I stand as the second person with reservations. My reservations are primarily because of unanswered questions, Mr. Speaker. Number one, is the math correct in this budget? Mr. Speaker, when we went into session in January, there was a \$300 million hit and then another \$600 million hit to almost \$1 billion that we were expecting in a shortfall. As I listen to my colleagues, it seems like everything is well, all is hunky dory, but if you look at the six-year plan, which is only a four-year plan in this budget, there is a deficit of \$200 million ending balance in 2020, that's FY20, that's two years from now, Mr. Speaker. Three years from now it's \$400 million ending balance, and in FY22 it's \$450 million. So is the math correct, or is this a sustainable budget, Mr. Speaker, is my question. Some of the things that were supposed to be cut I don't think were fully cut, or if the math actually ends up to what it is.

"I applaud the efforts at homelessness, I applaud the efforts at stimulating the economy. Mr. Speaker, the cost of living has not gone down, and the homeless situation, at least according to my constituents, is getting worse. So if we're throwing money at something and kicking the can down the road, I don't think it's going to make that much of a difference.

"The point is, Mr. Speaker, we have a budget that's not a mom-and-pop budget. This is \$14 billion. This is serious financing. And Mr. Speaker, if we get an economy where according to a Star-Advertiser survey says that one-half of our population, or 48% to be specific, is one paycheck away from homelessness, we've got a lot to do to strengthen our economy, to strengthen our spending, and Mr. Speaker, to be prepared for what we do on the floor here for the rail project, because this assumes an economy that's just going to keep going off the charts, and that may not be a correct assumption.

"The problem is, Mr. Speaker, I think we can do better economically, and we need to put a budget together that we can go for the long run and be sustainable. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I wanted to thank the Finance Chair, the Vice Chair and the GIA Chair for their work, and it was a privilege to be on the committee this year and to see kind of how everything goes down, and each of the departments, how the requests go. And I think that I appreciate all the comments made by my colleagues in regards to everything

that was added to the budget, but I also wanted to highlight that we cut out a lot of waste as well, and that was a part that I think a lot of people get down on us for, is that there's extreme government spending in places where we should be cutting back.

"And especially with the projected decline in the Council on Revenues, I think that we addressed a lot of that. And I'm sure we could do a better job, I'm sure we could cut more, but I think that we addressed areas where perhaps there was a person that might've been getting two different salaries, or perhaps there was vacancies that had been for years that some of these vacancies hadn't been filled, so that we could actually put the money into places where they're really going to make a difference.

"I wanted to highlight that my gratitude for the money that went into a lot of the DOT infrastructure costs, especially because I have a harbor, a airport, lots of roads in my district, and so I saw that, as well as funding for, proactively, for a library in my district that's about to open up, and wanted to also thank and I guess agree that the Chair and the WAM Chair asked if they could do a tour once it's open, which would be by the end of this year, and that's awesome, I think we should do that.

"But lastly I wanted to highlight that a few of the GIAs that got released are going to organizations that really make a big difference. I think that it's one thing to release money, but it's another thing to release money into the hands of people who actually make impacts and are the right people for the right jobs. I know that for Re-use Hawaii, it was a big deal that they got some, they've been doing a lot for our housing industry to help out, for Bobby Benson being the only little youth services that actually helps a lot of kids in my district as well. That really helped out, as well I was really grateful for the money that ALEA Bridge got, because we've been working with them on different homeless issues. And I bring those up because some of these people work day and night in these nonprofits trying to do good causes but need that extra help from our government and I was glad, grateful for the GIA Chair in looking at some of those and choosing them accordingly based upon these groups that have made big impacts in our community. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. First of all, thank you, Mr. Speaker, for you and who you are and what you've done. I'd like to thank the Finance Chair for allowing me the opportunity to sit there on the committee, and my committee members for one, allowing me the opportunity to have the conversation, whether we agree or we disagree. It was always when I first came in here to address the issue of agriculture and food safety, and as we have seen within the budget, the food safety, which is the number one priority when it comes to agriculture and the farming industry, is to make sure that we are food safety, so that everybody's safe when we're eating and raising our crops.

"Secondly, I'd also like to thank the Finance Chair for addressing the issues of those areas of rural and making sure that our kids have the opportunity to travel to the neighbor islands, and we have infused \$100,000 within the budget to help our kids to travel across. As you can see, many of our kids from the neighbor islands have been doing well and exceptional, and these monies will help to allow them to do that.

"While we may agree and disagree on many of the subject matters, it is up to us as individuals to put our case forward and to make sure that the budget and our issues based on safety and health reflects that of the subject matter. And I'd just like to say thank you also to our CIP Chair and our GIA Chair that have put priority above first and foremost to our district. So again, thank you, Mr. Speaker, for allowing me the opportunity to speak. *Mahalo.*"

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

"Mr. Speaker, I rise in support but with reservations. When I return home to the community of Wahiawa and I hold my community meetings, I'll have to explain to the community of Wahiawa, Central Oahu and the North Shore what happened to Wahiawa General Hospital. That's my reservations, Mr. Speaker.

"In brief, understand that the members should be put on notice that when you seek to engage your community to come forward and to petition this government for redress of grievances, and to peaceably assemble and to petition it for relief, whether you're from Hilo or Hanalei, Oahu or neighbor islands, there is a price to be paid. Dissent in this body bears a price. Unfortunately, it falls not upon only the elected official, but from the community from whence one comes.

"I'm embarrassed to be standing here today to even speak with reservations on the budget, because I know how hard the Chair has worked on it. I've sat in that chair. But it also gives me insight and thorough understanding of what can and cannot be done in the budget. So let me be brief.

"Mr. Speaker, I know you understand, I know Speaker Emeritus understands, and a few others in the Chamber. But when the budget goes into conference, you settle differences between the two drafts. We were fortunate at the time it went over as the House Draft 1, because the Finance Chair had placed into the budget some money to help Wahiawa sustain itself and bridge finance over the next several years.

"The Senate, in contrast, actually took money out of the appropriation that was in place for the last eight years by which the Department of Health had a contract for services, a purchases service contract over several years. It was approved and sustained and endorsed by both a Republican Governor, back then Linda Lingle, endorsed by a previous Governor, Neil Abercrombie, and soon to be ratified and endorsed by the current Governor, Ige.

"But unbeknownst to Department of Health and to this administration, that particular appropriation was taken out of contract and placed into a line item as a subsidy. The subsidy would be subject to year-to-year funding by this body, the House and the Senate. That's a very precarious position to place a community hospital that services one-third of the island of Oahu, from Mililani out to Waialua, to the North Shore, to Turtle Bay, at expense of some \$3 to \$4 million.

"And I need to bring this to the attention of some of you folks who are also similarly situated in the Department of Health with these types of contracts. Be on your best behavior. Be on your best behavior, because by encouraging your community to rally around your local health center or hospitals, you may endanger funding for it yourselves. So as a way of being instructive, as well as also to sound some alarms, they should be attentive to what happened here.

"So when I go back to Wahiawa and I go back to the North Shore, I'll explain what happened here. And I'll tell the folks that they need to come back next year and petition the Legislature and the legislators in the House and Senate to restore it back into a line item funding base budget appropriation to the Department of Health. The needs in the area have not changed, Mr. Speaker. They've expanded with the homeless population, with the *kūpuna.*"

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

Representative Oshiro continued, stating:

"Thank you, Chair. But to subjugate essential core services like a community hospital to year-to-year funding and the whims of what might be left over at the end of a budget session is absurd. Inappropriate. And for my constituents, confounding.

"Mr. Speaker, I did not bring up Wahiawa General Hospital at all this year. I tried to placate the powers that be, believing that the case had been firmly established last year. The merits for the hospital was clearly made. It was self-evident. So on the conference draft, I have to vote with reservations. I thank the Chair of the Finance Committee for doing all she could in the negotiations. I understand the tremendous pressure she had, the tradeoffs involving the budget final decision. I appreciate the work of the CIP Chair, working with my counterpart, Senator Dela Cruz, was able to help them fix their leaky roof, upgrade their diagnostic equipment, fix the broken air conditioning in the long-term care unit for the *kūpuna* of about \$1 million, I appreciate that.

"But as I stand here today, I cannot in clear conscience honestly endorse this budget, so I have to vote with reservations. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Standing in strong support. I would just like to thank the CIP Chair, FIN Chair, members of the FIN Committee and WAM Committee for passing this balanced and fair budget. I would be remiss to not thank you all as a body for the improvements for the Waianae coast community that I represent.

"There was an appropriation of about \$20 million for capital improvement projects dedicated to the Waianae coast, transportation infrastructure and pedestrian safety. Many of my constituents, Mr. Speaker, have to travel to town for work, because this is where all the jobs are centered, and we spend countless hours in traffic. I just spent 1 hour and 45 minutes on my way here to make it to session today, just because there was a car accident in Kunia. And so with this funding that was provided in the budget, I believe that we will see drastic improvements to our coastline, and I just want to thank everyone for passing this bill. *Mahalo.*"

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

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 100, House Draft 1, Senate Draft 1, Conference Draft 1, Relating to the State Budget. I would like to speak on the portion of this bill pertaining to capital improvement projects.

"At the outset of the 2017 Regular Session, the Governor proposed a modest Capital Improvement Program in his Executive Biennium Budget request.

	FY18 (All Means of Finance)	FY19 (All Means of Finance)
HB 100 SLH 2017	\$2,366,470,000	\$781,793,000
Governor's Executive Biennium Budget (HB100)	\$2,277,522,000	\$696,758,000
Adjustments	\$88,948,000	\$85,035,000

"Your Committee on Conference worked hard to identify projects deemed pertinent to the well-being of our island community. With the tight funding the State is currently facing, we need to fund projects imperative to protecting the unique agricultural landscape, promoting infrastructure development, advancing defense mechanisms, stimulating academic success, maintaining Hawaiian home lands, providing adequate housing, updating health systems, conserving natural resources, improving public safety, and modernizing means of transportation.

"In order to improve academic facilities across the State, your Committee on Conference appropriated \$169,770,000 for new projects at the University of Hawaii. Major projects include:

- (1) \$83,250,000 for land acquisition, design, and equipment for the development of University of Hawaii at Manoa;
- (2) \$30 million for the development of the Culinary Institute of the Pacific at the Kapiolani Community College;
- (3) \$3 million for energy efficient air conditioning improvements at the University of Hawaii at Hilo Hale Alahouua; and
- (4) \$6 million for land acquisition, design, construction, and equipment for site and infrastructure improvements to research stations for University of Hawaii College of Tropical Agriculture and Human Resources, statewide.

"Your Committee on Conference has recognized the importance of restoring and improving upon existing structures in order to improve traffic safety. Many of these projects are deemed necessary for federal aid financing and/or reimbursement. Therefore, your Committee on Conference

approved \$1,782,728,000 for new projects in the Department of Transportation. Major maintenance projects statewide include:

- (1) \$21.4 million for the improvement of intersections and highway facilities;
- (2) \$72 million for shoreline protection improvements of existing state highway;
- (3) \$22.5 million for projects such as roadway classification, data collection, long and mid-range planning, transportation needs studies, research, scoping, and workforce development; and
- (4) \$15,312,500 for height modernization.

"Of the funds delegated to the Department of Transportation, your Committee on Conference has recognized that in addition to restoration projects, long-term preventative projects are still of high concern for the Legislature. Accordingly, your Committee has allotted funds to projects including:

- (1) \$7.5 million for rockfall and slope stabilization measures statewide;
- (2) \$70 million for the extension of the Lahaina Bypass Road;
- (3) \$126,598,000 for general improvements to Kahului Airport;
- (4) \$26.6 million for general improvements to Hilo International Airport; and
- (5) \$446,651,000 for general improvements to Honolulu International Airport.

"Your Committee on Conference has provided significant funds to the Department of Land and Natural Resources, with a total of \$62,477,000 going to the Department for optimizing the State's natural assets. Major projects include:

- (1) \$18.3 million for the construction of a ferry pier at Lahaina Boat Harbor; and
- (2) \$5 million for Ala Wai Canal improvements.

"In order to protect and promote the Native Hawaiian culture and land, your Committee on Conference appropriated \$77,500,000 to the Department of Hawaiian Home Lands for fiscal years 2018 and 2019. Major projects include:

- (1) \$17.5 million for sewage treatment system and general site improvements for Pulehunui development areas;
- (2) \$6.9 million for the transfer of tax map key numbers (1) 7-1-002-031 and (1) 7-1-002-033 to the Agribusiness Development Corporation, transferred prior to DHHL expending these funds; and
- (3) \$30 million for various Hawaiian Homestead projects statewide, pursuant to the Native Hawaiian Housing Assistance and Self-Determination Act.

"Your Committee on Conference recognizes the significant effort it takes to manage and supervise the intricacies of the vast range of state programs and activities, and has allotted \$49,662,000 to the Department of Accounting and General Services. One significant project for fiscal year 2018 is the \$10 million provision for the creation of a master plan and environmental impact study for the Aloha Stadium facility and site.

"As an ongoing role of the Legislature, your Committee on Conference has continued to show its support for the State's unique agricultural landscape, and has appropriated \$35,961,000 for the Department of Agriculture in order to fund numerous projects, from general improvements to existing parks, to the acquisition of new agricultural land. Major projects include:

- (1) \$23,752,000 for the acquisition and design future land acquisition for land on Oahu; and

- (2) \$608,000 for the construction of mobile hot-water treatment units to be used to combat invasive species infested agricultural areas and ports statewide.

"Your Committee on Conference asserts that the upkeep and maintenance of lower education facilities is vital to the educational needs of the State's *keiki*. Accordingly, your Committee approved \$488,109,000 for new projects for the Department of Education facilities. Major projects include \$90 million in lump sum funds for the improvement of facilities and general infrastructure, including hazardous material remediation statewide, \$32,950,000 for plans, land acquisition, designs, construction, and equipment for new facilities, renovations, expansion, and/or replacement of facilities, and \$32,950,000 for program support for new facilities, temporary facilities, and the improvement of existing facilities.

- (1) \$27 million for a new classroom building at Campbell High School on Oahu;
- (2) \$77 million for a new school called East Kapolei Middle School on Oahu;
- (3) \$63 million for a new school called Kihei High School on Maui;
- (4) \$11.5 million for a 15-classroom building at Mililani Middle School;
- (5) \$15 million for the final phase of the Performing Arts Center at Moanalua High School;
- (6) \$10 million for a new elementary school and the first vertical school in the State called Pohukaina Elementary School; and
- (7) \$15 million for a new classroom building at Waipahu Elementary School.

"Your Committee on Conference believes these major projects, and other appropriated projects, to be for the increased safety and well-being of our island community."

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

"Thank you, Mr. Speaker. In support, and may I have the written comments of the CIP Chair entered into the record as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Kobayashi rose to respond, stating:

"Mr. Speaker, I stand in support. This budget has add-ons, and this budget has cuts. But we did not make all of the add-ons that were requested, and certainly we did not make all the cuts. Nonetheless, it is a responsible budget. I've been back here five years, and in each of the five years, the legislative budget has been below the governor's initial request by nine digits. The Legislature has been a restraining force relative to the governor. I would note that this year our executive branch budget is approximately \$118 million less than last year. Nine digits again. So while we have not satisfied everyone, I think that we have at least gone in the direction of moderation. Thank you."

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

"Thank you, Mr. Speaker. I just want to add to this my thanks also to the Chair, to the Vice Chair, to the CIP Chair, and the rest of the committee members for working on this budget in a difficult year, and for the opportunity to work on the grant-in-aids. I really learned a lot about all the wonderful organizations that provide services to the State. And even though it's a much smaller amount of money, I think that we were able to have significant impact on health care, on homeless services, and other human services, as well as some programs that expand agriculture and culture and the arts.

"And in addition, I just wanted to thank the Chair, and partly echoing what was already said by the Agricultural Chair, for including \$1 million in the budget for rat lungworm research and \$1.5 million for rapid 'ōhi'a death response, as well as \$8 million to the Hawaii Invasive Species Council. We have such a huge problem with invasive species on Hawaii Island, and it's so important to keep working on it. If we don't address these issues as they're

occurring, then it just becomes more expensive in the future. So thanks again, and thank you, Mr. Speaker."

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

"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. 100, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 51 ayes, with Representatives Oshiro, Say and Ward voting aye with reservations.

At 10:09 o'clock a.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 100, HD 1, SD 1, CD 1

Representative Saiki rose, stating:

"Mr. Speaker, could we have a recess until 11:30?"

At 10:09 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 11:45 o'clock a.m.

At this time, the Chair recognized the Clerk who announced:

"I have been informed by a representative of the President of the Senate that the conference committee report for H.B. No. 100, HD 1, SD 1, CD 1 was adopted, and said House bill, Relating to the State Budget, passed final reading in the Senate at 10:48 a.m. on this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 10:54 a.m. on this day, H.B. No. 100, HD 1, SD 1, CD 1 was duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

ORDINARY CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, will you please turn to page 30 and refer to Conference Report Number 192 and Senate Bill 1183, SD 2, HD 2, CD 1."

Conf. Com. Rep. No. 192 and S.B. No. 1183, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1183, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

At 11:46 o'clock a.m., Representative Say requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:48 o'clock a.m.

At this time, Representative Oshiro offered Floor Amendment No. 5, amending S.B. No. 1183, SD 2, HD 2, CD 1 as follows:

SECTION 1. Senate Bill No. 1183, Senate Draft 2, House Draft 2, Conference Draft 1, is amended as follows:

1. By amending the provisions in part I by authorizing counties to adopt or extend a county surcharge on state tax until December 31, 2037;

2. By deleting part II, which prohibited a county from using revenues derived from a county surcharge on state tax for operating or administrative costs of a mass transit project;
3. By deleting part III, which prohibited a county from prohibiting the use of county funds for the capital cost of a mass transit project;
4. By deleting part IV, which:
 - A. Increased the transient accommodations tax from 9.25 per cent to 12 per cent from January 1, 2018, to December 31, 2027, and allocated \$50,000,000 of the annual proceeds to the New Start Education Special Fund and the remainder to a county with a population greater than five hundred thousand that adopts or extends a county surcharge on state tax for capital costs of a mass transit project; and
 - B. Required that \$13,000,000 in annual transient accommodations tax proceeds allocated to the City and County of Honolulu, separate from the additional proceeds from the temporary increase in the tax rate to 12 per cent, shall be used only for capital costs of a mass transit project;
5. By deleting part V, which prohibited a county with a population greater than five hundred thousand that receives revenues from a county surcharge on state tax from using public funds to reconstruct or redevelop the event venue known as the Neal S. Blaisdell Center;
6. By deleting part VI, which established the New Start Education Special Fund;
7. By deleting provisions in part VII that prohibited the collection and allocation of revenues from a county surcharge on state tax if other provisions in the measure are not met;
8. By deleting provisions in part VII that authorized the Director of Taxation to levy, assess, and collect the transient accommodations tax at an increased rate;
9. By deleting all part designations in the bill; and
10. By renumbering all remaining sections of the bill accordingly.

Representative Oshiro moved that Floor Amendment No. 5 be adopted, seconded by Representative Choy.

Representative Oshiro rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I am in support of the floor amendment. Let me first of all thank the various committee chairs who have been involved in this heavily debated issue throughout the session. It's one of the more contentious issues that I've been engaged in over the last 20 years that I've been here. However, I cannot support the current conference draft that has been brought to this chamber for a final vote. So I brought forward a simple amendment, very elegant and straightforward. What it does would continue the current half-percent GET surcharge for the next 10 years upon the willing citizens of the City and County of Honolulu through their duly elected officials at the City Council and the executive, the Mayor of the City and County of Honolulu, who have chosen to bear the additional cost to build the Honolulu rail system on the island of Oahu.

"When we passed the original law back in 2005, I believe, Mr. Speaker, you were the chair of the Transportation Committee, I was the majority leader at that time, and I believe the current Mayor also was involved, maybe as the vice chair. But I look back to 2005 and the determination and declaration we made as a majority caucus of Democrats at that time to deal once and for all with the issue of transportation equity, of creating a mass transit system for the common man, and to enable smart growth in and around the urban corridor aligning with much of the development approved by the county master plan along the major thoroughfares already in existence.

"And so we gave then the respective counties the opportunity to impose this burden upon their own constituents, back in 2005. The governor at that time was Linda Lingle, and we played it all the way through to the very end. Mayor Hanneman was the mayor, and my colleague from Wahiawa-Mililani, Senator Dela Cruz, was the council chair. And everyone aligned to

approve the measure, knowing that this would enable the several counties who chose to take advantage of this legislative act to go back to the constituents to see if their constituents would be willing to bear an additional half penny on a dollar to pay for a mass transit rail system. Well, as a constituent of Oahu, I agreed with that, and I'm glad we did that.

"Unfortunately, we didn't keep our eye on the ball in much of the development and construction of the rail. After all, it is a county function, under the auspices of the HART board, Honolulu Authority for Rapid Transit, that we, the voters of the city and county, approved, so that they could so-called depoliticize the process and take it out of the mayor and county's hands and set up an independent board. But we should have maybe kept a closer eye on the expenditures and the project itself.

"But be that it may, we're at a point in time right now that it's either fish or cut bait, or get off the pot. We can't go backwards, we can't take it down, we can't roll back the train, it's left the station. We need to go forward. So the amendment here, very simple, is to extend the rail surcharge that we've been paying since 2007 for another 10 years. It also will nullify a lawsuit I believe brought by the Tax Foundation of Hawaii on behalf of the citizens of the City and County of Honolulu."

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

Representative Oshiro continued, stating:

"Thank you, Representative from Aiea. It will also nullify, I believe, a lawsuit brought by the Tax Foundation of Hawaii on the propriety of us charging 10% of the costs to collect the surcharge through the GET. You see, back then, my colleagues, I think it was the Representative Takamine and Senator Taniguchi, and all of us really had no idea what the true cost would be for the state Department of Taxation to collect the fee, the surcharge. So we set it at 10%. It was a easy number. Well, we discovered years later that 10% or about \$30 million is actually too much. In fact, it pays for the entire operations of the state Department of Taxation office. All its operations, all its services, all its personnel. All of that's being borne by the City and County of Honolulu residents who voluntarily took the surcharge to build their rail.

"What this amendment here would do, would lower it to 1%. We've been describing this as the 99-and-1% solution. So that's the other element of this bill. It has nothing to do with the TAT. It doesn't raise the transient accommodations tax. It doesn't force any increase in real property tax. It doesn't set up any illusory education fund. It's very straightforward. Easy to explain. No smoke and mirrors, what you see is what you get. It's an idea that's been thoroughly debated in and out of this building, to the various stakeholders of the neighborhood boards, with those involved in the construction industry up and down, top to bottom. It has involved all the different levels of government, from the State, House, Senate, executive branch, to the counties. And does the job that we need to do to finish Honolulu's rail.

"There's no controversy on whether or not it was brought in at the last minute. There's no controversy whether or not we have broken any of our own procedural rules. And it probably will not make us eligible for the rusty scalpel award, which is the award that's normally given every year by the League of Women Voters and I think Common Cause, or some other good government group, to recognize the one measure or bill that subverts any notion of transparency, open, honest public debate, by bringing something in at the middle of the night, almost a gut-and-replace. Has none of those detractions, Mr. Speaker, but all the benefits of what we need to finish the job, pure and simple.

"Mr. Speaker, I have some additional comments, but I ask the members to really consider what we need to address here. Oh, and let me also not forget to state this. Unlike the underlying bill, it doesn't put up the Hawaii State Legislature as the super legislature, the big brothers big sisters knows best, that we have the audacity and the ability to second guess and trump the respective decisions of the county governments, duly elected by their citizens, that we know best. So we're the body to come to for final redress, or complaint, or petition, if you're not happy there.

"It cuts both ways, folks. It's a double-edged sword. What we take away in this bill, the underlying bill, can come back to haunt us. And that's another troubling feature of the underlying bill. None of that is contained within this amendment, Mr. Speaker. Extends the rail surcharge 10 years. Sunsets. Gives the rightful cost of the rail service fee back to citizens of the City and County of Honolulu. And it hopefully will preclude any real estate tax, real property tax going up, commercial, residential, resort, for the local people. I ask for the members' support. Thank you."

Representative Oshiro's written remarks are as follows:

"I stand in support of Floor Amendment No. 5 which would amend SB 1183, SD 2, HD 2, CD 1.

"In a nutshell, Floor Amendment No. 5 would extend the current GET-surcharge of 1/2 penny or 0.5% from 2027 to 2037 or ten (10) years and allow the State of Hawaii to retain 1% of the gross proceeds as a service fee for processing and accounting costs. Commonly referred to as the 'skim,' this service fee is an assessment by the state Department of Taxation for the administration of only the City and County of Honolulu surcharge. It is currently set at 10% and generates about \$25 million for the State of Hawaii, however, most would agree that that actual cost of the service is much less than 10%. In fact, the Tax Foundation of Hawaii opines that the actual costs for the service and thus, 'skim' should be about 0.4% to 0.5%. A lawsuit brought by the Tax Foundation of Hawaii on behalf of the City and County of Honolulu's taxpayers allege the current 10% skim as unconstitutional and is pending in the Hawaii Supreme Court. Approval of this measure would probably moot the lawsuit.

"(I) Final Day Of Conference Committee Gives Us A 'Innovative' and 'Creative' Rail Bill

"The final day of the conference committee meetings took place on Friday, April 27, 2017, and the conference on SB 1183, SD 2, HD 2 reconvened at 10:30 a.m. in Room 423.

"At that meeting, the conferees were set to decide whether the House would accept the Senate's proposal from April 26, 2017, Tuesday's opening conference, that simply extended the present GET surcharge of one-half of one cent, to a term of ten (10) or seven (7) years and made several conditions precedents upon the City and County of Honolulu. To most everyone's surprise, the House rejected the Senate proposal and presented its counter-proposal of different conference draft or 'CD.'

"Reconvening the conference committee, that House Transportation Chair made the following statement:

Thank you Chair, I just wanted to thank the Senate for the CD that we received on Wednesday, with the ten year. The House cannot accept it at this time. We also want to thank the Senate for the seven-year draft that you provided yesterday. Thank you. Thank you, for that. But the House would like to provide a proposed conference draft at this time. So we would like to just go over briefly what they are.

"He then went on to further explain and describe the contents of the proposed conference draft.

So no extension at this time. We are going to maintain the House's position to lower the State's share of 1%. 1% of the skim will remain. We're going to increase TAT by 2.75% from the current 9.25% so it will go to 12% for 10 years from January 2018 to December 31, 2027. And this will raise \$1.3 billion by 2027. Ok, so receiving \$1.3 billion today, in today's dollars, being received upfront and concurrently a present GET surcharge, is equivalent to receiving \$2.74 billion in future GET revenues from 2027 to 2034 according to Budget and Finance projections if we were to grant an additional seven year extension as a CD that you proposed.

So in effect this House proposal will provide more funding for rail than any other proposal currently being considered in either chamber. Additionally, this CD will generate revenue from the 2.75 increases and will be distributed as follows: 50 million will be set aside annually for the 2.75% TAT increase collection into a newly created New Start

Education Special Fund or NSESF from January 2018 to December 2027. The Legislature will determine the use of this fund next session.

Ok, the remainder of the money, the \$1.3 billion will be remitted to the rail project concurrently with the existing GET surcharge until 2027. This would also reduce the distribution of TAT funds to the counties from \$93,000,000 to \$80,000,000, the difference of \$13 million will be allocated as the counties' contribution to funding rail. In addition, this will still allow neighbor island counties to adopt the surcharge in their respective counties. This will also require Honolulu to repeal any ordinance prohibiting use of county funds for rail. And lastly, this will prohibit Honolulu, City and County of Honolulu, from overextending itself fiscally by using public funds to reconstruct and redevelop the Neal S. Blaisdell Center, which is expected to cost \$500 million.

I believe those are the terms of the CD from the House.

"In support of the proposed conference draft, the House Finance Chairperson made the following comments:

If I could make comments. So we've been told time and time again that the tourists should, should pay for the rail. And that's what the Mayor has continued to say and that's why he continued to say that because GET is derived from one third from tourists, he insisted that tourists should pay. And perhaps he was giving us a hint, subliminally. And that's why today we are ensuring that elderly and our working poor are not taxed anymore with this new proposal. That's why we're backtracking our additional, I mean our latest House draft which extended the rail tax on GET to our most vulnerable population. And we want to ensure that we are not going to tax those individuals but redirect the taxes completely and the additional amount to tourists. And that's why you know we want to thank you folks for insisting that tourists and visitors pay for and have the burden of paying for this tax or for this rail. And because a lot of the support has come from the neighbor island residents, or a lot of the support of rail has come from neighbor island legislators including the Chair of Transportation, we felt that because you folks have insisted or you have insisted that this is a statewide concern, the TAT will be statewide. And because of that we will be taking a portion out of the county share because it's a burden that has to be shared by the entire state as opposed to the City and County of Honolulu. So we ask for your consideration and reconvene time, Chair.

"Subsequently, the conference committee adjourned with the public pronouncement that it would reconvene on April 28, 2017, at 1:30 p.m. that same afternoon.

"On April 28, 2017, at 1:30 p.m. the conference committee reconvened and the following words were spoken by the Chair of the Senate Ways and Means Committee:

Thank you very much. We have been looking over the proposed CD 1 that was floated by the House conference committee members. We wanted again to thank you first for looking at this very innovative and creative approach, and first of all we do want to tell you that again, we really do appreciate that you've considered many of the concerns that have been raised throughout this session as it has passed through our committees, especially the money committees, in terms of looking at the regressivity of the GET. We have heard time and time again, Chair Luke, when you and I have taken testimony from literally I swear was hundreds of members of the public. And they've told us the difficulties they have experienced if we were to consider extending the GET surcharge.

The approach you folks have taken is a creative one that we've been asking and waiting for as we asked the city and county and HART to look at different sources of funding. I think we even raise the TAT, the city's portion at least, as one possibility. So the fact that this is now an approach that you folks have brought forward is one that I think is really one that we really would like to consider.

That being said, if you would be open to some possible friendly suggestions. We just have a few things, one of the things that we are taking a look at if you would be open to some friendly amendments, I know it was mentioned that in terms of looking at reducing the counties'

share of the TAT revenues from \$93 million to \$80 million that it would be distributed as such, we think that it would be only fair that the City and County of Honolulu bear that \$13 million reduction in whole and that the other counties keep their share of that break down as if it were still at that \$93 million level. I think that is only fair given that this project is only for the City and County of Honolulu. And that it would not disproportionately impact the neighbor island counties. So in that sense, it would be as if for the other counties on the neighbor islands they were still at the \$93 million level so it would come from the City and County of Honolulu share of their TAT in terms of the full \$13 million, so that would be what we recommend in terms of the TAT split for the counties and where that portion would come from the \$13 million. And I would also like to remove the non-severability section. I think that is part seven in the bill for section 13. Looks like there's a storm warning coming from Representative McDermott, not sure what that means. And I believe that is all the amendments we would like to put forward.

And just make a very clarifying and clear that in terms of these languages that this is limited to 10 years in terms of when these portions would be in terms of the fact that this \$13 million reduction from Honolulu would come strictly from Honolulu and not from the neighbor islands. And with that, I think we are comfortable with the amendments you put forward. Again, we do appreciate that this really is looking at making sure that those that have been most impacted by the regressive GET will not be further impacted. It's a very creative approach. It is still one that is fiscally prudent and will challenge HART and the City and County of Honolulu to be mindful of their budget, but does provide resources for rail at the same time.

This has been a very difficult session. It has entangled many other issues into this one issue it seems, almost personally at times for me it seems. But I do appreciate all the hard work you put into this and I thank you very much for what you folks have done, so if you'll be open to these amendments.

"In response to the Ways and Means Chairperson, the House Transportation Chair made the following statements:

Well thank you Chair for those amendments. It was certainly a pleasure to work with all of you on this measure and again it was very difficult. But taking into consideration all these moving parts, we feel that this measure is something we can all live with, Chair.

"The chairperson of the Senate Ways and Means Chairperson stated:

Good.

"Finally, in response, the House Transportation Chair stated:

So at this point we will accept all these amendments.

"Immediately thereafter a vote was taken. Senate Transportation Chair took the vote for both Senate (Inouye, Nishihara, Dela Cruz, and Tokuda) and House (Aquino, Luke, McDermott) members and SB 1183, SD 2, HD 2, CD 1, was approved unanimously.

"As such, SB 1183, SD 2, HD 2, CD 1 is the measure before us today for consideration on final reading and passage.

"(II) The Extension Of The One-Half Penny GET-Surcharge Had Several Public Hearings

"Although SB 1183 became the 'vehicle' for the rail bill, there was also a House bill, previously heard and approved by the House Committee on Transportation and referred to the Committee on Finance.

"HB 349 which was heard on February 15, 2017 before the Committee on Transportation was approved on Second Reading on February 17, 2017, and referred to the Committee on Finance with the following elements:

- (1) Authorizing the City and County of Honolulu to extend the surcharge on state tax until December 2057, rather than in perpetuity.

- (2) Changed the amount deducted from the county surcharge on state tax to reimburse the State to an unspecified percentage.
- (3) Authorizing any county that had not established a surcharge on state tax prior to July 1, 2015, to establish a surcharge, if the ordinance is adopted prior to July 1, 2018, but not earlier than July 1, 2017.
- (4) Requiring the City and County of Honolulu to require HART to provide a current financial report, management audit, and presentation on the progress of the rail project to the Legislature annually, provided that the State may withhold the surcharges if the county does not report to the Legislature.
- (5) Requiring the Director of Finance to deduct an unspecified portion of surcharge proceeds for the Department of Transportation for the purpose of State highway and/or road projects.
- (6) Extended the sunset date of the county surcharge on state tax to December 31, 2057.
- (7) Directs the head of each state department or agency to convey title of all disputed highways to the respective counties.
- (8) Requires each county to take ownership and jurisdiction over all roads over which there is any dispute over ownership between the State or any of its political subdivisions and private party.
- (9) Requires counties that have accepted surrendered roads pursuant to this measure to utilize various tax revenue sources available for the maintenance and upkeep of the roads.
- (10) Setting an effective date of July 1, 2050.

"It did not, however, gain a hearing in the House Finance Committee but remains under its jurisdiction. As such, the House of Representative did not practically set or establish a formal policy position on the rail funding issue at the time of the first cross, on or about March 9, 2017, Session Day 26. Still, HB 349, HD 1 is a bill that mirrors the instant Floor Amendment No. 5 as it has the two (2) key relevant features:

- (1) Authorizing the City and County of Honolulu to extend the surcharge on state tax until December 2057, rather than in perpetuity and;
- (2) Changing the amount deducted from the county surcharge on state tax to reimburse the State to an unspecified percentage.

"The two substantive but related changes is that Floor Amendment No. 5 resolves the uncertainty found in HB 349, HD 1, regarding the 'skim' or service fee, and allows the State of Hawaii to retain 1% of the gross proceeds as a service fee for processing and accounting costs. This provision would mean additional funding to the rail by about \$30 million a year or \$300 million over 10 years. It may also 'moot' the present lawsuit brought by the Tax Foundation of Hawaii. The 'term of years' of the extension is also set at ten (10) years, and allows for collection from 2017 to 2027.

"Additionally, SB 1183, received both a hearing in the House and the Senate. In the Senate it came before the Senate Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs, and Ways and Means. It passed from the Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs in an amended form that provided a relevant part to this instant Floor Amendment No. 5, an extension of the surcharge approved by the City and County of Honolulu in perpetuity and allowed the other neighbor island counties the authority to establish a surcharge on state tax by July 1, 2017. It also provided that the State shall retain an unspecified portion of the surcharge for the Department of Taxation.

"In short, SB 1183, SD 1 not only went through the public hearing process but was approved by the Senate's subject matter committees with relevant GET surcharge funding extension and service fee or 'skim' policy. The measure, however, would be amended and modified in the final lateral committee and the draft that comes out of the Ways and Means Committee provided a repeal of the GET surcharge reimbursement to the State, but does not extend the GET surcharge past its sunset date of 2017. In effect, the draft was seen as a means to generate an additional \$30 million a year to the City and County of Honolulu or \$300 million over ten years. Notwithstanding the absence of an extension of the surcharge for the City and County of

Honolulu in perpetuity that was earlier approved by the Senate Committees Transportation and Energy, and Public Safety, Intergovernmental, and Military Affairs, it did provide the 25 members of the Senate the ability to contemplate, take to several public hearings, and debate the merits of the proposals. So, although the Senate passed a measure that I may have supported, it stands to reason that there was a public hearing and discussion on whether the extension of the GET surcharge would be the Senate's position at the first cross. More important, like HB 349, SB 1183 clearly and without any doubt raised the issue among many legislators and the engaging stakeholders and constituents. This is in sharp contrast to the TAT provisions to—increase TAT by 2.75% to 12%—and—funding for city and county rail financing—that never had a public hearing, draft circulated, or even contemplated in both House and Senate Chambers before popping up at a conference committee on the last scheduled day of conference committee meetings.

"Finally, I have heard some House members complain that the Senate 'changed' its position found in SB 1183, SD 2, at the conference committee and that it should not be able to do so. This is in relation to the Senate's offer of a conference draft that essentially extends the City and County of Honolulu's GET surcharge by ten (10) years from 2027 to 2037. Furthermore, while I don't know or pretend to know the reasons or purpose of the Senate's conduct and action, I am not in a position to judge the Senate, a separate and co-equal chamber of the Legislature. However, as described above, given the several public hearings conducted by the Senate Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Ways and Means, it could simply be a change of heart or change of outlook, or simply a response to ones constituents and stakeholders. This issue has been the '800 pound gorilla' of the 2017 Session, and information, in many styles and forms and active media coverage, could all lead to sincere reconsideration and policy choice. But, in any case, the decision of the Senate as a co-equal chamber of the Hawaii State Legislature is that chamber's prerogative and concern.

"(III) Floor Amendment No. 5 Would Avoid Violating the Spirit and Letter of the Conference Rules

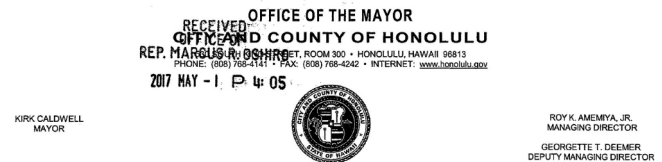
"The extension of the current GET-surcharge is the only rail funding choice that has had a public hearing and allowed for public input and engagement and debate among the State Legislature. Both HB 349 and SB 1183 in various drafts contained the relevant elements that make up Floor Amendment No. 5 and would not violate any notion of public disengagement and any lack of transparency or public engagement. In contrast, the draft of SB 1183, SD 2, HD 2, CD 1, pursuant to CCR No. 192, provided the following:

1. Not extending the City and County of Honolulu GET surcharge past 2027.
2. Requiring all counties as a condition precedent a prohibition on forbidding the use of county funds for capital costs of a locally preferred alternative for a mass transit project.
3. *Establishing the new start education special fund.*
4. *Increasing the TAT by 2.75% from January 1, 2018, to December 31, 2027.*
5. *Allocating from the increased TAT of 2.75%, \$50,000,000 to the new start education special fund.*
6. *Allocating the remaining revenue from the increased TAT by 2.75% to the City and County of Honolulu to be used only for the capital costs of building rail.*
7. *Requiring that \$13,000,000 per year from the 44.1% portion of the TAT revenues allocated to the City and County of Honolulu be used only for capital costs for rail from January 1, 2018, to December 31, 2027.*
8. *Prohibiting the City and County of Honolulu from using public funds to reconstruct or redevelop the Neal S. Blaisdell Center while the county is collecting the surcharge to finance capital costs for the rail project. (emphasis provided)*

"As described above in Section (I) and (II), there were never any public hearings on SB 1183, in both the House and/or Senate, in its various drafts that contains the following items now found in SB 1183, SD2, HD 2, CD 1. This is because these items were inserted into the proposed conference draft on Friday, May 28, 2017, nearly two weeks after the second crossover. The items that have not been given a public hearing in relationship to SB 1183 are as follows:

- (a) Increasing the TAT by 2.75% from January 1, 2018, to December 31, 2027.
- (b) Establishing the New Start Education Special Fund (NSESF).
- (c) Allocating from the increase of TAT by 2.75%, \$50,000,000 to the New Start Education Special Fund.
- (d) Allocating the remaining revenue from the increase of TAT by 2.75% to the City and County of Honolulu to be used only for the capital costs of building rail.
- (e) Requiring that \$13,000,000 per year from the 44.1% portion of the TAT revenues allocated to the City and County of Honolulu be used only for capital costs for rail from January 1, 2018, to December 31, 2027.
- (f) Prohibiting the City and County of Honolulu from using public funds to reconstruct or redevelop the Neal S. Blaisdell Center while the county is collecting the surcharge to finance capital costs for the rail project.

"Mr. Speaker, because these six (6) items listed above as 'a' though 'f' are found within the measure before us, I would request that the members of the House take notice and refer to the letter to Speaker Joe Souki, dated May 1, 2017, regarding SB 1183, SD 2, HD 2, CD 1, Relating to Taxation. The letter elaborates on related issues regarding the six (6) items and one of the shortcomings of end-running the public hearing and vetting process where both practical and legal concerns can be identified and addressed beforehand and certainly before a 'take it or leave it' ultimatum.



May 1, 2017

The Honorable Joseph M. Souki
Speaker of the House of Representatives
415 South Beretania Street, Room 431
Honolulu, Hawaii 96813

Dear Mr. Speaker:

Re: SB1183, SD2, HD2, CD1, RELATING TO TAXATION

The City has identified some serious Constitutional concerns regarding the rail tax bill, SB1183, SD2, HD2, CD1, which if not rectified, could run the risk of the bill being vetoed by Governor Ige or challenged by third parties, should it be passed in its current form.

We, therefore, respectfully request that the bill be amended to address:

1. Home rule concerns, special legislation concerns, and "one subject" rule related to the prohibition on Honolulu from using public funds to reconstruct or redevelop the Blaisdell Center;
2. Special legislation concerns regarding the obligation not to prohibit, and to repeal ordinances that prohibit, the use of county funds for the capital cost of a locally preferred alternative for a mass transit project; and
3. Possible impairment of rights and obligations under existing contracts and proceedings.

Attached is summary of our concerns, along with recommendations to remedy each of the identified concerns.

In addition, the bill presented in the Conference Committee meeting on April 28, 2017 at 10:30 a.m. proposed that the increase of 2.75 per cent in the transient accommodation tax (TAT) would be applied toward the capital costs of rail, which would provide front loading of rail funds. The Conference Committee at its 1:30 p.m. reconvening stated that the bill was further amended to clarify that the counties' existing allocations would not be transferred to fund rail. This revision, along with a reference to severability, were the only stated modifications to the conference draft presented at 10:30 a.m.

The Honorable Joseph M. Souki
Speaker of the House of Representatives
May 1, 2017
Page 2

Consequently, based on projections provided by the Conference Committee at its 10:30 a.m. meeting, it was anticipated that HART would receive \$130 million from the 2.75 per cent increase in TAT per year. This front loading would have helped move our rail project forward without drastically impacting the taxpayers and residents of Oahu.

However, the CD1 version of the bill that was decked and posted has been significantly revised to provide that the \$50 million allocated for the New Start Education Special Fund would now be funded out of the 2.75 per cent set aside for rail. This is projected to reduce the TAT revenues from the 2.75 per cent increase in the TAT for HART from \$130 million to \$80 million annually. As a result, the projected shortfall would increase from \$980 million to approximately \$2 billion, drastically increasing the financial burden on Oahu's taxpayers and potentially resulting in greatly diminished City services and adversely affecting the City's bond rating.

Based on the Constitutional concerns as well as the financial concerns, we request that you correct these constitutional defects and address the funding mechanism. Short of this we believe that the preferable and safest route is to give the City and County of Honolulu the authority to extend the GET surcharge another ten years with 90 per cent going to HART and 10 per cent going to the State to be used however it deems appropriate.

We appreciate your immediate attention to this matter.

Sincerely,



Kirk Caldwell
Mayor



Ron Menor
Chair and Presiding Officer,
Honolulu City Council

Attachment

cc: Honorable David Ige, Governor
Honorable Shan Tsutsui, Lt. Governor
Honorable Ronald D. Kouchi, State Senate President, and Senators
Honorable Ron Menor, Chair and Presiding Officer, and Members
Mr. Krishniah N. Murthy, Interim Executive Director
HART Board of Directors

SB1183, SD2, HD2, CD1

1. **Sections 10 and 11: Honolulu Prohibited from Using Public Funds to Reconstruct or Redevelop the Blaisdell Center - Home Rule Concerns, Bill Embraces More Than One Subject, and Special Legislation Concerns**
 - Legislature allowed to enact laws of "statewide concern." Haw. Const. art. VIII, § 6. Charter provisions with respect to a political subdivision's executive, legislative and administrative structure and organization shall be superior to statutory provisions, subject to the authority of the legislature to enact general laws allocating and reallocating powers and functions. Haw. Const. art. VIII, § 2. It is arguable that the CD1 conflicts with the City's jurisdiction over City-owned property and with the City's authority to enact budgets pertaining to City functions and property.
 - Article III, Section 14 of the State Constitution requires each law to "embrace but one subject, which shall be expressed in its title." Title is "Relating to Taxation." Preventing Honolulu from redeveloping the Blaisdell has nothing to do with taxation and exceeds "one subject" rule.
 - "Special legislation," or legislation that is enacted to benefit a particular person, thing or locale within a given class, is prohibited by the Hawaii State Constitution. This provision targets Honolulu and raises special legislation concerns.
 - Sections and 10 and 11 should be deleted.
2. **Section 7(b)(1): Honolulu Alone Must Not Prohibit Use of County Funds - Special Legislation Concerns**
 - "Special legislation," or legislation that is enacted to benefit a particular person, thing or locale within a given class, is prohibited by the Hawaii State Constitution.
 - CD1, as compared to HD2 version, more neutrally provides that no county shall prohibit use of county funds for the capital costs of an LPA for a mass transit project. Still, there is a special legislation concern because only Honolulu has a mass transit system.
 - The power to establish a GET Surcharge to fund transportation systems in each of the counties is unequal. Only Honolulu is obligated not to prohibit, and to repeal ordinances that prohibit, the use of county funds in order to receive GET surcharge funds.
 - The CD1 does not articulate any rationale regarding why a county must not prohibit use of county funds for mass transit alone, as opposed to other transportation projects. Obligation not to prohibit use of county funds should apply to all transportation projects allowed by HRS § 46-16.8(e) and (f).
3. **Section 6: Limiting GET Surcharge for Administrative or Operating Costs – Ambiguity in "Capital Costs" definition, and Contracts Clause Concerns**
 - HRS § 46-16.8(e) allows GET surcharge funds to be used for "capital costs."
 - The definition of "capital costs" currently in HRS § 46-16.8(g) ("non-recurring personal services and other overhead costs that are not intended to continue after completion of construction of the minimum operable segment of the locally preferred alternative for a mass transit project") is inconsistent with the new HRS § 46-16.8(e)(3)'s prohibition against using GET surcharge funds for "administrative

1

or operating costs, including personnel costs." To remedy this, HRS § 46-16.8(g) should be amended by deleting the second sentence.

- Contracts Clause of the U.S. Constitution prohibits states from passing any law that impairs the obligation of contracts. With HART being unable to use GET surcharge funds for administrative and operating costs upon the enactment of the bill, there is a potential Contracts Clause violation if such funds were pledged for HART's contracts for administrative or operating services. To remedy this, another section should be added to the bill with the following standard language: "This Act does not affect the rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date."

2

"Given this last minute and hastily concocted draft and imposition upon this House and its members, it seems both rational and appropriate to consider Floor Amendment No. 5 that would simply extend the GET surcharge of one-half penny, upon the citizens and businesses of the City and County of Honolulu for ten (10) years.

"(IV) Floor Amendment No. 5 Would Avoid Pitting Workers And Unions Against Each Other

"Another disturbing and troubling feature of SB 1183, SD 2, HD 2, CD 1 that is proposed by the House conferees is the establishment of a special fund that will be funded from the increase in the TAT and the resulting division that it will have among various employees and workers and both public and private labor unions. For one, the sudden increase of the TAT by 2.75% and increase from 9.25% to 12% will undoubtedly affect the hotels and hotel workers statewide. Not only were the hotel workers not consulted as you would expect in the normal public hearing process, but this measure sets up a special fund to benefit one class of workers, namely public school employees. Arguably the hotel workers should be supportive of our public education systems and many could be beneficiaries of our local schools and many more may have children and family members as stakeholders in our schools. But, even with that being the case, don't they, the hotel workers and related businesses and other tourism sectors affected by the TAT, deserve some say and an opportunity to comment and participate? I think so. It is only fair. This lack of engagement. Lack of any transparency. Lack of any participation by the stakeholders sets this measure up for immediate criticism and cries for rejection. On Oahu it would affect hotels, like the Hilton Hawaiian Village, Sheraton Waikiki, Waikiki Beach Marriott, Hyatt Regency Waikiki, Ala Moana, Sheraton, Pacific Beach, Aulani, Moana Surfrider, Aston Waikiki, Outrigger Reef Waikiki, Hawaii Price Hotel, The Royal Hawaiian, Outrigger Waikiki Beach Resort, The Halekulani, Turtle Bay, and Hyatt, among other smaller hotels and accommodations.

"Likewise, this last minute and sudden TAT proposal goes against the position and desire of the construction and trades associations and unions that sought an extension of the one-half penny GET surcharge for ten (10) years. The TAT increase pits the members of the Construction Alliance against the unexpected windfall to the members of the HSTA and other

public school workers. It also drives a wedge between the HSTA and the AFL-CIO which also supported the extension of the one-half penny GET surcharge for ten (10) years. These foreseeable and troubling aspects of the TAT proposal is a cruel 'conquer and divide' strategy to instigate and stir up division and mistrust among our workers and their respective labor organizations. On the other hand, because the TAT proposal is so disruptive and unexpected, it is a mere ploy posing as a legitimate means to fund the rail project. In other words, SB 1183, SD 2, HD 2, CD 1 is not a well-crafted and thoughtful and creative means of funding, but instead a reckless and risky attempt to settle this matter. A creative means to end and terminate the rail project.

"In any case, it should be rejected as improvident and a gross violation of any public engagement and stakeholder input. Instead, Floor Amendment No. 5 which would extend the current GET-surcharge of 1/2 penny or 0.5% from 2027 to 2037 or ten (10) years and allow the State of Hawaii to retain 1% of the gross proceeds as a service fee for processing and accounting cost, is a better solution.

"(V) Floor Amendment No. 5 Would Avoid A TAT Increase Upon The Neighbor Island Hotel Rooms

"Floor Amendment No. 5 should be adopted to avoid imposing a unexpected and abrupt 33% increase in TAT upon the neighbor island hotels. Again, one of the troubling aspects of SB 1183, SD 2, HD 2, CD 1, is that fact that the neighbor island hotels would be forced to help pay for the Honolulu rail project. As with the other effects, this imposition is done by fiat and regardless of the interest or in consultation with the hoteliers and their respective employees. The affect is especially acute and more pronounced on the neighbor islands as their economies are less diversified relative to their smaller populations and demographics. The following charts reveal the impact upon the neighbor island hotels and their respective number of rooms. (I've listed only the 'Top-Ten' as there are dozens of hotels and condo-hotels on each of the neighbor islands).

<u>Maui Hotels</u>	<u>Number of Rooms</u>
1. Hyatt Regency Maui Resort and Spa	800
2. Grand Wailea	800
3. The Westin Maui	760
4. Wailea Beach Marriott	540
5. Sheraton Maui Resort	500
6. Royal Lahaina Resort	500
7. Aston Kaanapali	460
8. The Ritz-Carlton, Kapalua	460
9. Fairmont Kea Lani	450
10. Kamaole Sands	440

<u>Kauai Hotels</u>	<u>Number of Rooms</u>
1. Grand Hyatt Kauai	640
2. Sheraton Kauai Resort	391
3. Aston at Poipu Kai	372
4. Kauai Marriott Resort on Kalapaki Beach	350
5. Aqua Kauai Beach Resort	350
6. Kiahuna Plantation	333
7. Courtyard by Marriott Kauai at Coconut Beach	311
8. The St. Regis Princeville Resort	250
9. Aston Aloha Beach Hotel	216
10. Kauai Shores	200

<u>Hawaii Island Hotels</u>	<u>Number of Rooms</u>
1. Hilton Waikoloa Village	1,240
2. Waikoloa Beach Marriott Resort & Spa	555
3. Fairmont Orchid	540
4. Royal Kona Resort	536
5. Sheraton Kona Resort & Spa at Keahou Bay	500
6. Courtyard by Marriott King Kamehameha	450
7. Grand Naniloa Hotel	381
8. Hapuna Beach Prince Hotel at Mauna Kea Resort	350
9. Mauna Lani Bay Hotel & Bungalows	341
10. Hilo Hawaiian Hotel	286

"Mr. Speaker, this is a sampling of the neighbor island hotels that will have to impose an additional 2.75% tax rate upon the current 9.25% tax rate for a TAT tax rate of 12% come January 1, 2018. That amounts to about a 33% increase in the TAT and will have some affect upon these hotels and their operations. The consequences may be cancellations of reservations, reduction in overnight stays, or even loss employment opportunities or lessening of hours and pay. All foreseeable and possible effects of this 11th hour amendment to the rail bill and the introduction of the TAT as a funding source for the Honolulu rail project. To export the Honolulu rail cost to the unexpected neighbor island hotels without any input or opportunity to object may be expedient and crafty, but it is not transparent and inclusive to the neighbor island communities but will stand as another example of 'Oahu-centric' and 'Honolulu-centric' policy that gives short shrift to our neighbor island colleagues and their local needs and priorities.

"As such, the present draft of SB 1183, SD 2, HD 2, CD 1 should be rejected as improvident and a gross violation of any public engagement and stakeholder input. Instead, Floor Amendment No. 5 which would extend the current GET-surcharge of 1/2 penny or 0.5% from 2027 to 2037 or ten (10) years and allow the State of Hawaii to retain 1% of the gross proceeds as a service fee for processing and accounting cost, is a better solution that respects the neighbor island constituents and their island-based priorities and plans.

"(VI) The State Senate Has Reversed Itself and Adopted An Identical Draft Of Floor Amendment No. 5

"In close, it is confirmed that the Senate has amended SB 1183, SD 2, HD 2, CD and adopted the identical draft as proposed in Floor Amendment No. 5. They did so with a vote of 16 to 9.

"Accordingly, adoption of Floor Amendment No. 5 to create a mirror image bill of SB 1183, SD 2, HD 2, CD 1, would enable the House to correct a fatally flawed measure and settle on a funding methodology that has been fully vetted in public hearings and tracks the general expectations of advocates and stakeholders of the Honolulu rail project.

"(VII) Final Comments on Floor Amendment No. 5 to SB 1183, SD 2, HD 2, CD 1

"Mr. Speaker, thank you for the opportunity to respectfully dissent and share my contrary views to this body and especially my colleagues in the Democrat Caucus. I do so with the sole intention to improve a measure that, in my humble opinion, does not reflect our efforts nor work product. In short, I believe that we can do better. With so much at stake, we must do better. These two (2) articles found in the Honolulu Star-Advertiser, April 29, 2017 and May 2, 2017, summarize and capture many thoughts of the many people on SB 1183, SD 2, HD 2, CD 1 and provide further insight into the arguments for and against this measure from various stakeholders and proponent and opponents. I have adopted them into my remarks as further evidence of the uncertainty and challenges it poses to all of us.

Honolulu Star-Advertiser, Hawaii News Section

Plan would raise hotel tax for rail

By Kevin Dayton and Gordan Y.K. Pang
April 29, 2017

House and Senate negotiators tentatively agreed to a plan to increase the state hotel room tax to 12 percent to raise an additional \$1.3 billion for the Honolulu rail project, and also inject an extra \$50 million a year into Hawaii's public education system.

The agreement appears to resolve this year's contentious rail tax debate, but Honolulu Mayor Kirk Caldwell said it will still leave the city nearly \$1 billion short of the amount it needs to complete the rail project.

House Transportation Chairman Henry Aquino proposed Friday that lawmakers abandon a proposal to extend the half-percent excise tax surcharge that now provides most of the funding for the rail project, and instead increase the transient accommodations tax by 2.75 percent for 10 years starting January 2018.

The hotel room tax is currently 9.25 percent, and the House proposal would increase it to 12 percent for the next decade. House and Senate leaders hailed the decision as an innovative way to resolve the latest rail debate over

funding, and to shift more of the financial burden of building the 20-mile rail line to visitors.

Caldwell said he's grateful for the new proposal and will accept it, but it only "gets us two-thirds of the way there."

The city administration and the City Council now need to crunch the numbers to see how best to cover the shortfall, including the big issue of whether it will require further property tax rate increases beyond what the administration is already planning.

Caldwell's administration could leave that shortfall for future city leaders to make up, and "let some other mayor and Council members worry about that," he said. "But under my tenure, I don't want to see a burden being placed on people who are not yet born because I just want to get rail done no matter what the consequences are."

The last-minute proposal to raise the hotel room tax for rail may also be legally questionable because it was never debated in a public hearing and did not comply with the lawmaking process that is set out in the state Constitution, according to state Sen. Donna Mercado Kim.

"The industry had no input, nobody had any input on this, so at this hour to come out with an increase in the (hotel room tax) that was never discussed, never went to a public hearing, to me, is not legal," said Kim (D, Kalihi Valley-Moanalua-Halawa).

She said the bill will be vulnerable to a legal challenge if it passes because "the law says it has to have three readings, and it didn't go through three readings."

Senate President Ron Kouchi disagreed, saying the debate this year included "all the different iterations and broad-ranging discussion," adding, "I'm confident the bill will be fine."

Mufi Hannemann, president and CEO of the Hawaii Lodging & Tourism Association, said lawmakers need to be cautious about repeatedly asking for more from the visitor industry.

"I can appreciate how difficult that decision was, but at the same time we're facing constant challenges to remaining in business and to be competitive," Hannemann said. If state lawmakers go through with the hotel tax increase to 12 percent, Hannemann said he will press the city to abandon its plan to raise property taxes on hotels.

"This is going to force us to sort of reassess where we're at," he said. "It's going to put us in an extremely difficult situation competitively. Some have even said that we're going to be much more expensive to visit than New York."

Hannemann, who was the driving force behind launching the rail project when he was Honolulu mayor, added, "I'm hoping also that if they're going to take this money from the industry ... that we have better accountability on how that money is being spent to build rail."

Hannemann said when he was advancing the rail project as mayor, he never envisioned it being financed using the hotel room tax.

George Szigeti, president and CEO of the Hawaii Tourism Authority, said in a written statement that Hawaii needs to be careful not to price itself out of the global tourism marketplace.

"Our hotel partners will be impacted most by this TAT increase and that seems unfair to place such a burden on a single sector of our business community," Szigeti said.

House Finance Chairwoman Sylvia Luke said: "We've been told time and time again that the tourists should pay for the rail, and that's what the mayor has continued to say. That's why today, we're ensuring the elderly and working poor are not taxed anymore with this new proposal," which instead would tap tourists.

The Honolulu rail project is funded mostly from the half-percent excise tax surcharge imposed on transactions on Oahu, which generates about \$290 million a year and will remain in place through 2027. The new hotel tax proposal would provide about \$130 million extra annually, for a total of about \$420 million a year.

The Legislature extended the excise tax surcharge in 2015 at Caldwell's request to cover cost overruns in the rail project, but the city disclosed last year that the project is again over budget. The estimated price tag for the partially built rail project has increased from \$5.26 billion in late 2014 to nearly \$10 billion today, including financing costs.

That forced Caldwell to return to the Legislature this year to seek another excise tax extension, but his request was poorly received. The Senate

initially passed a bill that would have provided for no excise tax extension, while the House offered a draft measure that would have extended the surcharge for two years.

Caldwell said neither bill provided enough money to complete the rail project and warned the city might have to raise property taxes to bail out the project unless lawmakers provided more help.

The new draft bill that won preliminary approval from House and Senate negotiators Friday would divide up revenue from the extra hotel room tax collections, with most of the money going to rail and \$50 million a year deposited into a "New Start Education Special Fund," Aquino said. Lawmakers would determine the use of that money next session, he said.

The bill won praise from Corey Rosenlee, president of the Hawaii State Teachers Association. The teachers lobbied hard this year to put a proposed constitutional amendment on the ballot to use property taxes to provide more funding for education but were unable to get that proposal passed.

"We're excited. Anytime we can get more money for education, it's a good thing, and this bill in combination over 10 years will bring in \$500 million for education," Rosenlee said of the new proposal. "I know there's many ways that we could use that money to help kids."

Aquino said the state will bank the money for the time being, and lawmakers will decide next year exactly how those funds will be used to assist the public school system.

Currently the city receives about \$41 million a year from the hotel room tax, and the new bill would reduce the city's share of that tax by \$13 million a year and apply that money to the rail project as well, said Senate Ways and Means Committee Chairwoman Jill Tokuda.

Aquino also said the proposed bill "would prohibit the City and County of Honolulu from overextending itself fiscally by using public funds to reconstruct or redevelop the Neal S. Blaisdell Center, which is expected to cost nearly \$500 million."

Senate Bill 1183 now goes to the full House and Senate for further consideration. For it to pass, lawmakers would need to approve it before the scheduled adjournment week.

Senate Majority Leader J. Kalani English called the bill a "grand compromise" that was developed Thursday night.

English said a group of senators met in Kouchi's office before the new proposal was made public to discuss the measure, and said it likely has the votes to pass in the Senate. House Majority Leader Scott Saiki said the House Democrats have not yet been briefed on the proposal, so it is not certain they will support it.

If the House and Senate do approve the bill, it will be sent to Gov. David Ige, who will have the option of signing it into law, vetoing it, or allowing it to become law without his signature.

Honolulu Star-Advertiser, Hawaii News Section

[Rail on track, report says, but funds in flux](#)

By Marcel Honoré and Timothy Hurley
May 2, 2017

Rail's long-anticipated "recovery plan," finally released Monday after several deadline extensions, touts building the full 20-mile system but still can't answer exactly how the city will pay for it.

That's because state lawmakers haven't yet agreed to a funding deal that would once more bail out the cash-strapped elevated transit project and help close its latest, multibillion-dollar budget gap. Both chambers of the Legislature are slated to take floor votes on that funding package today.

The Federal Transit Administration's April 30 deadline for the report was always expected to be tricky, requiring the city and local rail leaders to submit their recovery plan before they had all of the financial answers.

Still, rail's interim executive director, Krishniah Murthy, insisted Monday that the 249-page report prepared by the agency he oversees, the Honolulu Authority for Rapid Transportation, provides key answers to other questions that have worried the project's federal partners.

It looks to assure the FTA that HART's management and its latest construction cost estimate of nearly \$8.2 billion are sound, despite the agency's earlier cost estimates falling woefully short. That figure does not include financing costs, which the recovery plan states could be as much as \$1.8 billion more.

"We have done improvements to our management and the way the project's handling is done," Murthy told a press gaggle outside HART's headquarters Monday. "Project controls, risk management, cost containment — all of those things that we have to do. That's all part of the recovery."

Murthy also said that Congress agreed this week to include rail's final \$243.7 million in its latest appropriations bill. If that bill is signed into law, the Honolulu rail project would have all its \$1.55 billion in federal dollars appropriated. The FTA, however, could revoke some or all of those dollars if it doesn't approve of the city's recovery plan.

The recovery plan calls rail's so-called "Plan A" — the push to build all 20 miles of elevated concrete pathway, 21 stations, and a transit center at Pearl Highlands — the only "viable Project alternative from a financial, ridership, and operationally practical perspective."

Meanwhile, it pans "Plan B," a less expensive proposal that would end the line near Aloha Tower and defer seven stations along the route. That scaled-back approach could potentially be covered by rail's existing \$6.8 billion budget.

Nonetheless, such changes would cut rail ridership by about 60 percent, the report states — a scenario that would strain the island's taxpayers to cover a larger share of the operations. That alternative plan would also face delays to compile new environmental studies and deal with potential lawsuits from developers whose projects would no longer fall along the rail line, it added.

This latest report generally holds consistent with the conclusions that HART reached in its interim plan last fall, which also advocated building the full rail line from East Kapolei to Ala Moana Center.

It comes after state House and Senate negotiators agreed to a tentative deal last week to help cover some of rail's approximately \$3 billion shortfall. The proposal would increase the state hotel room tax to 12 percent from 9.25 percent for the next 10 years to provide an extra \$1.3 billion or so in additional funding for rail.

On Monday a coalition of Honolulu City Council members and community leaders called on the Legislature to instead approve the city's proposal to extend the half-percent excise tax surcharge.

"Unfortunately, the measure that the Legislature is presently considering would in fact place even greater burdens on our residents," Council Chairman Ron Menor said during a news conference at Honolulu Hale. "It would also have severe impacts on business, industries and employees on our island."

The measure would create a gap in the city's fiscal year 2018 budget of as much as \$30 million, requiring either an increase in property taxes or reductions in city services, Menor said.

The bill also would prohibit the city from spending more than \$100 million to reconstruct or redevelop the Neal S. Blaisdell Center until after Dec. 31, 2027.

"I think an argument can be made that that is an intrusion on home rule by the state Legislature, which would render the measure unconstitutional," Menor said. "If the Legislature passes out of a bill that is legally flawed, it's going to result in substantial delays."

Menor, along with Councilmen Joey Manahan and Ikaika Anderson, implored state lawmakers in a letter Monday to amend the rail bill during their floor sessions today and extend the GET surcharge by 10 years instead.

Kekoa McClellan of the American Hotel and Lodging Association said the proposed bill would be devastating to the tourism business in Hawaii.

"The impact of a 2.75 increase in the TAT is a double tax on Hawaii's tourism industry," McClellan said. "Effectively, Honolulu hotels will have a tax rate of 16.71 on top of the room rate. That puts Honolulu's hotels in the highest bracket of hotel taxes in the country. That is not a place we want our No. 1 industry to be."

McClellan said it would drive tourists to seek out unregulated, illegal vacation rentals, which would reduce affordable housing for locals and destroy neighborhoods' residential nature.

"In close, it is with some regret and sense of loss that we have arrived at the end of the 2017 Session with our business unfinished and this major issue left pending. It did not have to be this way. Floor Amendment No. 5 provides us a way out of the mess. Mr. Speaker, I have done my best and put it all out there. Left it all on the field of this political and policy arena. It is time to return to my home and explain myself and my actions to my loyal

and trusted constituents and citizens of Wahiawa. I hope to again see my colleagues soon in a special session this 2017 Summer."

Representative Thielen rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I'm rising to speak against the measure, but with a great deal of credit to the proponent of the amendment, who is trying to find a way out of this \$10 billion boondoggle mess that we're in. Mr. Speaker, I could have supported the proponent's measure if he had asked for the rail to be placed at-grade from Middle Street to run to Ala Moana. I could have supported that, Mr. Speaker, because then he would not have needed to extend the general excise tax, the TAT wouldn't have needed to be touched, and we would have saved our beautiful historic Chinatown and downtown waterway.

"You're going to walk out of this building, Mr. Speaker, in maybe, what, 10 years, and see this monstrosity going all the way across our waterfront. So if the proponent of the bill had proposed dropping it to at-grade at Middle Street and running it surface to Ala Moana, I could have supported him for doing that, Mr. Speaker. Procedurally, what is happening to us here today, we're going to hear—"

The Chair addressed Representative Thielen, stating:

"Just to remind to you, Representative, you need to speak on Senate Bill 1183, and you're opposed to it, and you should state the reasons why you are opposed to it."

Representative Thielen continued, stating:

"I will. And I also just wanted to say, procedurally, so people won't be wondering what is going on, if we pass the next amendment, which appears to have the majority support of the members in the body, then we will not be able to hear any other amendments on this measure today. So the subject matter in those subsequent amendments, such as running rail at-grade from Middle Street to Ala Moana, won't be able to be heard. Mr. Speaker, four stories high across our waterfront, going in to Ala Moana at seven stories high. This is monstrous."

The Chair addressed Representative Thielen, stating:

"Okay, Representative, you need to speak on the merits or demerits of Senate Bill 1183."

Representative Thielen continued, stating:

"I recognize that, Mr. Speaker. I'm just struggling to get the merits of Floor Amendment Number 11 into the Journal because, oh, and may I have that floor amendment inserted into the Journal?"

The Chair addressed Representative Thielen, stating:

"You're out of order, Representative. We're on Senate Bill 1183. Please restrict your comments to Senate Bill 1183."

Representative Thielen continued, stating:

"I'll tell you why I disagree with that proposed amendment, Mr. Speaker. We don't need to add the taxes to the people that are already overburdened on the island of Oahu. I respect what he tried to do, to make some sense out of this mess the city has put us into. But we don't need to raise those taxes. There's an alternative method that saves raising taxes, doesn't destroy the environment, and that's to keep the rail at-grade from Middle Street to Ala Moana. And Mr. Speaker, may I have remarks into the Journal, too, please? Thank you."

Representative Thielen submitted the following:

Floor Amendment No. 11

HOUSE OF REPRESENTATIVES

AMENDMENT TO: S.B. No. 1183, S.D. 2, H.D. 2, C.D. 1

OFFERED BY: Representative Cynthia Thielen

DATE: May 2, 2017

SECTION 1. Senate Bill No. 1183, S.D. 2, H.D. 2, C.D. 1 is amended by deleting its contents and replacing them to read:

"SECTION 1. The legislature finds that the public has lost confidence in the ability of the Honolulu Authority for Rapid Transportation and the City and County of Honolulu to complete the Honolulu rail project without increasing taxes. The cost of constructing an elevated rail system in the city center is approximately \$756 million per mile, and experts have estimated that the cost could be lowered to \$139 million per mile for a street-level system. The Federal Transit Administration has indicated that building the elevated rail to Middle Street as planned and then using a street-level system would be one of several acceptable alternatives for project completion that would allow the City to retain its federal funding for the project. This change is likely to save \$2.9 to \$4.2 billion and result in the project's completion four years sooner, without raising taxes on the people or businesses of Hawaii.

The purpose of this Act is to make the most responsible choice by requiring that any mass transit system constructed using State funds to run between Middle Street and Ala Moana Center shall run at street level.

SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Each county with a population greater than five hundred thousand that adopts or extends a county surcharge on state tax ordinance pursuant to subsection (a) or (b) shall use the surcharges received from the State for[~~;~~

(4) ~~Capital~~ capital costs of a locally preferred alternative for a mass transit project, provided that any portion of such project running between Middle Street and Ala Moana Center shall be constructed at street level[~~;~~ and

(2) ~~Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1).~~

~~The~~]; provided that revenues derived from the county surcharge on state tax shall not be used;

(1) [~~to~~] To build or repair public roads or highways, bicycle paths, or support public transportation systems already in existence prior to July 12, 2005[~~;~~];

(2) For operating costs of the mass transit project or any purpose not consistent with this subsection; or

(3) For administrative or operating costs, including personnel costs, of a rapid transit authority charged with the responsibility for constructing or operating the mass transit project, or both."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval."

THE SENATE
TWENTY-NINTH LEGISLATURE, 2017
STATE OF HAWAII

S.B. NO. 1183
S.D. 2
H.D. 2
C.D. 2

A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the public has lost confidence in the ability of the Honolulu Authority for Rapid Transportation and the City and County of Honolulu to complete the Honolulu rail project without increasing taxes. The cost of constructing an elevated rail system in the city center is approximately \$756 million per mile, and experts have estimated that the cost could be lowered to \$139 million per mile for a street-level system. The Federal Transit Administration has indicated that building the elevated rail to Middle Street as planned and then using a street-level system

would be one of several acceptable alternatives for project completion that would allow the City to retain its federal funding for the project. This change is likely to save \$2.9 to \$4.2 billion and result in the project's completion four years sooner, without raising taxes on the people or businesses of Hawaii.

The purpose of this Act is to make the most responsible choice by requiring that any mass transit system constructed using State funds to run between Middle Street and Ala Moana Center shall run at street level.

SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Each county with a population greater than five hundred thousand that adopts or extends a county surcharge on state tax ordinance pursuant to subsection (a) or (b) shall use the surcharges received from the State for[~~;~~

(4) ~~Capital~~ capital costs of a locally preferred alternative for a mass transit project, provided that any portion of such project running between Middle Street and Ala Moana Center shall be constructed at street level[~~;~~ and

(2) ~~Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1).~~

~~The~~]; provided that revenues derived from the county surcharge on state tax shall not be used;

(1) [~~to~~] To build or repair public roads or highways, bicycle paths, or support public transportation systems already in existence prior to July 12, 2005[~~;~~];

(2) For operating costs of the mass transit project or any purpose not consistent with this subsection; or

(3) For administrative or operating costs, including personnel costs, of a rapid transit authority charged with the responsibility for constructing or operating the mass transit project, or both."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

Representative Thielen also submitted the following *Honolulu Star-Advertiser* editorial:

Bring rail to street level from Middle Street to Downtown

By Peter Vincent and Scott Wilson
April 27, 2017

At first glance the public poll published by the Star-Advertiser on April 16 ("Finish rail but don't tax more") seems to pose an impossible demand on city leaders. With 57 percent of residents saying "no" to an extension of the general excise tax (GET) surcharge beyond 2027, and 83 percent saying "no" to an increase in property taxes, how is the city going to listen to the 64 percent who want to "finish rail" and not stop at Middle Street?

There is a very real answer to the city's dilemma on rail. The remaining segment from Middle Street through Downtown, just over 3 miles in length, can be completed seamlessly using street-level rail, at a tremendous savings of time and money. This can be done without extending the GET surcharge, without scrapping existing construction, and without losing federal funding for the project.

Street-level rail through downtown Honolulu would save \$3 billion (and probably more) and would save four years of construction time (with a completion date of 2021 instead of 2025). Street-level rail can be easily integrated with the elevated guideway, giving people the "one seat ride" required for federal funding (and rider convenience).

The street level alternative, stopping in the downtown and civic district, has already been cited as a viable option by the Federal Transit Administration (FTA).

Some of the things the Honolulu Authority for Rapid Transportation (HART) and others are asserting about street-level rail in Honolulu are not accurate. To lay a set of tracks for street-level rail, construction would be 14 inches deep by 8 feet wide, which is the same depth as a normal roadbed construction. This would not require purchase of any additional land. Existing streets could be used. Because these streets have already been excavated, the issue of new archaeological finds is not applicable. Street level rail stations are no bigger than a bus stop, requiring only a canopy for rain shelter and a small ticket machine on an existing sidewalk. From all of

this, it is apparent that the cost of street-level rail can be computed with confidence. It is a matter of only a few variables, all of which can be credibly defined and accomplished.

In contrast, the city's plan for an elevated rail through downtown Honolulu would cause immense disruption to nearby structures, traffic and commerce and have enormous long-term negative impacts on view corridors, historic districts and historic sites. Construction of the guideway and football field-sized stations would generate costly "change orders" during construction because the unstable filled soil in the harbor area will require concrete columns hundreds of feet in depth.

Hawaii prides itself on its beauty and unique sense of place. The concrete guideway and stations will forever cut the mauka-makai view corridors that connect us to the ocean and Honolulu Harbor.

Finally, what of the city's assertion that street-level rail would be limited to the speed of existing car traffic? The Middle Street-to-Downtown segment would be slower by two to three minutes (depending on the length of the final route). Signal synchronization can be used so that the street-level trains can maintain 30-mile-per-hour speed through downtown, which is nearly the same speed as elevated rail. Managed lanes (for trains and buses only) keep trains running independent of automobile traffic speeds, and also greatly increase safety.

The Honolulu Transit Task Force report and a proposed route map can be found here.

Incorporating street-level rail, the entire project can be completed within the existing budget, without extending the GET surcharge. We're calling on city leaders to give the people what they want: a functioning rail system including downtown Honolulu, at a reasonable cost.

Architects Peter Vincent and Scott Wilson are members of the Honolulu Transit Task Force Executive Committee; this was co-signed by fellow architects and committee members Robert Crone and Terry Tusher.

Representative McDermott rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, I support the amendment. This is regarding at-grade rail, right? No, just kidding. Mr. Speaker, I support this because it deals with the knowns. What we know. It is the status quo with a reduced skim, and it sounds like a good proposal. Mr. Speaker, I've been here long enough when we had 11, even 19 Republicans, and we would come up at the last minute with an amendment, and the majority would say, you haven't got the stakeholders at the table, you haven't gone through the due diligence, you haven't done, it's not the process.

"I think this amendment deals with the process and the subject matter that we've all been dealing with the entire session. It is not something that has come up with the last minute. In fact, it removes the unknowns of the underlying measure. The unknowns, what would an impact in the TAT do to construction projects that are currently on the docket to be completed, and/or renovations?

"I was somewhat surprised after the conference committee hearing to talk to some of the construction industry, and they were not happy, because of this very thing. This unknown, the unknown, what happens when you, are we killing the goose that lays the golden egg? This measure here says, no, we're going to continue with the status quo, but reduce the skim, and I think it's the best of both worlds, given the situation. Now, no one's happy where we're at, of course, Mr. Speaker, and there's a lot of finger-pointing. But for those of us who live in communities that hope to see this someday, we think this is probably the best measure, and I just stand in strong support of it. Thank you, sir."

At this time, Representative Saiki called for the previous question.

Representative Say rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, may I just record my aye for the floor amendment? Thank you."

Representative Tokioka rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. Can I make the same request as Speaker Emeritus, please? Just record it as a yes for the amendment."

Representative Har rose to speak in support of the proposed floor amendment, stating:

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

Representative Choy rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, same request."

Representative Kong rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, same request."

Representative Ito rose to speak in support of the proposed floor amendment, stating:

"Same request, Mr. Speaker."

Representative Oshiro rose to respond, stating:

"Mr. Speaker, I want to make sure I get my yes vote in."

The motion that Floor Amendment No. 5, amending S.B. No. 1183, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," be adopted, was put to vote by the Chair and upon a voice vote, failed to carry, with Representative LoPresti being excused.

At 12:07 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:07 o'clock p.m.

At this time, Representative Aquino offered Floor Amendment No. 6, amending S.B. No. 1183, SD 2, HD 2, CD 1 as follows:

SECTION 1. Senate Bill No. 1183, H.D. 2, S.D. 2, C.D. 1, is amended as follows.

1. In section 1 of the bill, by adding a provision to authorize a county that has adopted a surcharge on state tax to extend the surcharge for one additional year, to December 31, 2028;

2. In section 6 of the bill, by clarifying that nothing in that section shall be construed as prohibiting the use of county funds that are not derived from a surcharge on state tax for operating costs of a mass transit project or administrative costs;

3. In section 8 of the bill, by:

A. Reducing the temporary increase in the transient accommodations tax from 2.75 per cent to 1 per cent, so that the rate shall be 10.25 per cent for the period beginning on January 1, 2018, to December 31, 2028;

B. Reducing from \$50,000,000 to \$25,000,000 the annual allocation of revenue from the increased transient accommodations tax to the New Start Education Special Fund; and

C. Clarifying that revenues from a county surcharge on state tax shall be used only for the capital costs of a mass transit project and shall not be used for operating costs of a mass transit project or administrative costs;

4. In section 9 of the bill, by:

A. Providing that all transient accommodations tax revenue that is otherwise remitted to the City and County of

Honolulu shall be used only for capital costs of a mass transit project and shall not be used for operating costs of a mass transit project or administrative costs; and

- B. Increasing from \$93,000,000 to \$103,000,000 the transient accommodations tax revenue that shall be allocated to the counties from fiscal year 2018-2019 through fiscal year 2027-2028;

5. In section 10 of the bill, by deleting the purpose section and replacing it with the following:

"The legislature finds that the construction of publicly funded major mass transit projects place a substantial burden on taxpayers, especially when those projects far exceed the initial cost estimates that were provided to taxpayers. The legislature also finds that such financial burdens are a matter of statewide concern that fall under its purview pursuant to article VIII, section 6, of the Hawaii State Constitution and that impositions of such financial burdens imposed upon taxpayers at any single time should be limited. Plans to renovate or redevelop large public event venues generally require significant amounts of taxpayer money, and imposing that additional burden on taxpayers through the issuance of general obligation bonds or other financing mechanisms available to political subdivisions, which are funded by tax revenues, is not prudent in counties that are already imposing substantial financial burdens on taxpayers to fund major mass transit projects.

Accordingly, the purpose of this part is to prohibit a county that is collecting a general excise tax surcharge to fund capital costs of a locally preferred alternative for a mass transit project from using public funds to reconstruct or redevelop an event venue that is within a Hawaii community development authority community development district or in a manner that requires Hawaii community development authority approval.

It is not the intent of the legislature in enacting this part to prohibit any county from reconstructing or redeveloping an event venue within a Hawaii community development district with other than public financing.";

6. In section 11 of the bill, by adding provisions that accomplish the purpose described in section 10 of the bill;

7. By adding a new section 13 to the bill to provide that the bill shall not be construed to prohibit the use of funds generated by a county for purposes not prohibited by state law;

8. By adding a new section 14 to the bill to provide that the bill does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date;

9. By making conforming amendments to the effective date provisions of the bill; and

10. By renumbering sections of the bill accordingly.

Representative Aquino moved that Floor Amendment No. 6 be adopted, seconded by Representative Luke.

Representative Aquino rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. With this floor amendment we have a number of changes that we have made, and I believe that this is a responsible measure that focuses primarily on the rail budget, that provides more funding than any other conference draft, over \$1.7 billion, Mr. Speaker, compared to \$1.2 to \$1.3 billion in the previous conference draft.

"So, Mr. Speaker, what this does is basically increase the TAT from 9.25% to 10.25% for 11 years, through 2028. Mr. Speaker, it also prohibits TAT funds for rail operations and maintenance, prohibits use for HART administrative and operating costs. Mr. Speaker, we're also going to maintain the county's share of the TAT revenue at \$103 million per year. Mr. Speaker, we talk about responsibility. Honolulu's share will be directed towards rail. The scheduled 2018 reduction for the neighbor island county TAT subsidies will be eliminated, and those counties will continue to receive their current TAT subsidies. These amendments, Mr. Speaker, will generate over \$926 million over the 11-year period.

"Mr. Speaker, again, this is a responsible floor amendment. We're looking at an extension of the general excise tax for one year. In addition, Mr. Speaker, we're going to keep the 1% skim, which would generate over \$350 million. So with the GET amendments, we're looking to generate over \$435 million, Mr. Speaker. We also reduced from the previous CD for the new start education special fund, Mr. Speaker, to help all of our schools statewide.

"So again, this floor amendment provides over \$1.7 billion, \$1.7 billion, Mr. Speaker. So I feel that, again, this is a responsible floor amendment, and I believe it addresses many of the concerns that we received. So again, in support. Thank you very much."

Representative Luke rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In strong support. And first of all, I would like to thank the Chair of the Transportation Committee. And some members of the visitors' industry, yesterday we did hear a lot of concerns from the visitors' industry, and we were able to sit down and discuss a lot of these issues.

"Rail is a statewide concern, and I applaud the members of the visitor industry for coming forward and helping us share the burden. And as a result of that, we thought about it and we thought, okay, 2.75% might be a heavy burden on the tourism industry, and so with that discussion we were able to come to a compromise of doing a 1% TAT increase as opposed to what was initially proposed at 2.75%. But with that, the compromise was that we will extend the GET for one year.

"I think members need to understand that this has been a tough issue for many of us, and unlike some of the members who feel at ease about providing in perpetuity, or 20 years, or 10-year extension, but I think most of the people in this chamber still have strong misgivings about whether the city has properly managed this rail project, and I think unless there's some accountability and assuring the public that we're not going to give a blank check, we are going to give them a finite number of funds and we are going to put restrictions on the city to make sure that this job is done right, and to make sure that is complete, and to make sure that they do it in a way that restores confidence back in the public.

"And because of that, I think a lot of the members had problems with a extensive extension of GET, because GET is one of the most regressive taxes and it would tax the working poor and the elderly, so it is our responsibility to stand up for those people, because they don't have lobbyists here, it is our responsibility to stand up for the people who don't have voices, who cannot hire lobbyists, and then that is what we have done.

"And so I applaud the Transportation Chair for having foresight, and because it was a difficult issue, for us to come together at the end, to have us a shared responsibility, and to, once and for all, figure out what we need to do with the rail issue.

"The other thing that this bill does, which there is no other mechanism to do this, we have heard from the neighbor island counties, and because there was no bill to stabilize the TAT funds that goes to the neighbor islands, this bill restores the TAT share to the neighbor islands back to \$103 million. There are no other bills that will accomplish this. The other thing is, it will at least stabilize what's going on in the education programs, and hopefully it will provide infusion, and that's kind of a give and take with what we have assessed with the TAT. So with that, I urge the members to vote in favor of this floor amendment. Thank you very much."

Representative Ward rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, supporters of this bill have said that it's time to fish or cut bait. Or, as our colleague said earlier, get off the pot. Well, Mr. Speaker, when you're constipated, you can't get off the pot. Mr. Speaker, this project is plugged up with misleading statements by politicians, it's plugged up with mistrust, it's plugged up with overruns, it's impossible to make a rational decision, Mr. Speaker, on this.

In fact, the only rational decision was one that we weren't going to hear, and that was putting the grade-level option from Middle Street to Ala Moana.

"Mr. Speaker, for the people on my district and the people who have heard time and again that we're going to work this thing out, and what we just heard from the Chair of Finance, if there's any indication of what the past is, as a harbinger for the future of this project, we are still in deep doo-doo, Mr. Speaker. Thank you."

Representative Thielen rose to speak in opposition to the proposed floor amendment, stating:

"Thank you. First time, Mr. Speaker, on this measure, floor amendment number six, and I'm rising in opposition. Mr. Speaker, you're probably aware that the Honolulu Transit Task Force released a report in January 2017, and it had option 2A that would not require any increase or extension of taxes. It would save between \$3 billion and \$4.2 billion, and the project would be completed four years sooner, Mr. Speaker. That is the Middle Street to Ala Moana at-grade.

"So I look at this bill that is just extending the painfulness of the tax burden on our people, and now it extends it to neighbor islands as well as Oahu. We don't need to do that, Mr. Speaker. We can do something that is sensible, fiscally responsible, bring that down to at-grade from Middle Street to Ala Moana, save nearly \$4 billion, that's B with a billion. And that's the only thing that we should be looking at today.

"I understand the Senate has not accepted this version, so the issue is wide open, Mr. Speaker. We don't have a measure that's just going to go lockstep, okay, tax 'em, tax 'em, build away, and keep that sucker up there at four stories high, moving up to seven stories. Can you imagine, Mr. Speaker, what that's going to do to the beauty of Honolulu, where Aloha Tower used to be the tallest building in the city? Remember that? We both are old enough to remember that, Mr. Speaker. Aloha Tower was the tallest building in downtown Honolulu. We both are.

"And what are we doing? We don't need to do it. We're not going to end up with a final measure today. The Senate's on a different track. We can be on the sensible track. Bring that sucker down at Middle Street. Run it on the street level. Save \$4 billion and get it done four years faster, Mr. Speaker. Thank you."

Representative Tupola rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In opposition. I want to echo the sentiments of my colleague, also thank both of the introducers of this amendment, because they put a lot of hard time, effort, into this, in thinking about this, when really this is a city project. But it's been placed upon our shoulders, because here we are at the eleventh hour still debating how we're going to take care of this when it is a city project that we all have a feeling hasn't been enough effort that has been put on the city part, and that's why it's on our plate right now.

"The few things that I do agree with that have been said is that there are huge misgivings about the management of this project. I would probably reword that as enormous misgivings, a huge amount of public mistrust that has been out there because of the way this project has been handled, about all of the overrun costs, and now a second ask for more money. The second thing is that the counties need more TAT money. I would agree with that. I think that's a good thing, they definitely need more TAT money. And lastly, of course all the schools need more money. So that's a good thing, obviously. But we're still talking about a project that is poorly managed.

"I think the three lessons we can learn here is one, when we're talking about the responsibility of the city versus the State, we should all talk face to face, because here we are talking as a legislature about what we think the city's doing, but we've had very little discussions face to face with them, until it's the last minute of the last day trying to figure how we're going to push out all these dollars that they need.

"The second thing that we learned is that there's other ways to fund the rail. We were told this is the only way, the GE tax is the only way to fund

it. We've obviously come up with multiple ways with maybe them going and getting their Airbnb money that they're not collecting right now. Maybe they can reprioritize with the NBC center, whatever needs to happen.

"And the last thing we learned is that all of these discussions should have taken place months ago, because here we are, at the end of session, with a few days left, and we're still debating on different versions of what needs to happen, when really, they saw this coming, so these discussions should have taken place many, many months ago, so that we could all determine a bill that we liked, have public hearing for the whole thing, we all are voting on the same thing, as opposed to where we are today, with many versions of this bill, many different proposals on the floor, and very little time to take all that into consideration, and also get input from the stakeholders.

"And I do stand with the taxpayers that are looking at us, hoping that we make good decisions for this, because we represent them. We represent the regular people that don't have lobbyists and don't have big groups that are anxious to support them on voting against a regressive tax, or even more taxes that nobody really knows how this is going to play out at the end. Thank you."

Representative Choy rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, I've always taken the position that the rail project is a county project, and this particular floor amendment just interjects the State in more and more of county business, and I don't think that's right. If we're so critical about the management and the construction of rail, and I can do that, because of the cost overruns and the mismanagement, I can criticize. If we want to continue down this path, then I would suggest that we take over the rail project and make it a state rail project. Because we can do it better, right, guys?"

"Mr. Speaker, I stand in opposition. This particular amendment will just take too many accountants to implement. Thank you."

Representative Saiki rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, I'd like to rise in support of this floor amendment. I just wanted to thank the Chair of the Transportation Committee and the Chair of the Finance Committee for working on this floor amendment, but also on the underlying measure. It's taken a lot of time, it's been very frustrating, it's very complex, and I know that they put a lot of effort and thought into not just this floor amendment but also the underlying measure.

"I wanted to just emphasize that this floor amendment will benefit a number of people. It will benefit resident taxpayers, it will benefit small businesses in Hawaii, it will benefit public school students in Hawaii, and it will benefit neighbor island counties, because they will retain their share, their current share, of the TAT subsidy.

"What has happened in this debate, in this issue, is unfortunately the Legislature has assumed an oversight responsibility for the rail project, like it or not. And that is because there is no other entity in the State of Hawaii, public or private, that is overseeing this project to watch out for taxpayers and ratepayers. We have seen over the past few years the cost of rail will likely double within a few years, and without continued oversight from someone, I suspect that the cost will simply increase over time to a point where it's out of control.

"There are some in the community who will characterize a vote for this floor amendment as opposition to the rail project. I want to clarify that that is not the case. A vote in favor of this floor amendment is simply a message that someone needs to take control over the management and the financial aspects of this project before it is too late. Thank you very much."

At 12:24 o'clock p.m., Representative Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:26 o'clock p.m.

Representative Nakamura rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In support of this amendment. This is the only amendment before us that restores the counties' share of the TAT, from \$93 million to \$103 million. The counties do so much for our visitors. Not only do they rescue visitors from our conservation lands, rescue visitors from our beaches, they work with visitors who are subject to crimes, they maintain our beach parks and our roads that our visitors drive on.

"For all of these reasons, this amendment is something that I strongly support, and I believe that not only does it restore the amount, but it makes this \$103 million allotment to the counties a steady source of income for 11 years. So for these reasons, I support this amendment."

Representative Har rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to the floor amendment. Mr. Speaker, first up, I do want to thank the Chair of Transportation, I know that he's worked very hard on the various iterations of this draft and I want to thank him personally for this latest floor amendment.

"But that said, a previous speaker just noted that this current floor amendment restores the counties' regarding their TAT. Let's be clear. It does not do that for Honolulu. What this floor amendment does is it takes away the \$45 million that the City and County of Honolulu uses for first responders."

Representative Saiki rose to a point of order, stating:

"Mr. Speaker, point of order. The speaker has incorrectly stated my floor speech. I did not say that."

Representative Har continued, stating:

"Mr. Speaker, I apologize. I was referring to the Representative from Kauai who was just talking about the counties' share of the TAT. Thank you, Mr. Speaker. So Mr. Speaker, I think that what needs to be clarified here--"

Representative Nakamura rose to a point of order, stating:

"Point of order. I was referring to the neighbor island counties' share of the TAT."

Representative Har continued, stating:

"Thank you for that clarification. And again, but I would like to be clear, because I don't think that was made. But that said now, I appreciate the clarification. But the fact of the matter is this, Mr. Speaker. We are now taking away \$45 million of the TAT from the City and County of Honolulu. As we all know, from those of us from the City and County of Honolulu, and as noted by the previous speaker, that the counties do so much for our visitors and our first, in terms of whether it's our visitor industry, whether it's taking care of our residents, whether it's first response, whether it's being at the beaches with our lifeguards, they do so much for us, whether it's trash collection.

"This amendment will undoubtedly raise property taxes for the people of the City and County of Honolulu. That reason alone, the GET is a better proposal, extending the GET is a better proposal, because it goes over the entire base as opposed to hitting the property owners of the City and County of Honolulu who will take the biggest hit based on this floor amendment. For those reasons, Mr. Speaker, I stand in opposition to the floor amendment."

Representative LoPresti rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In strong support. I just want to note that there's a lot of talk about people saying this is a county project. Well, this is the only amendment that actually forces the county to use this money for this project. Everything else is relying on the poor, the elderly, and the working

poor to pay for this. And it's time that that tax on the working poor comes to an end, and that we use the TAT.

"There's been a lot of talk about how the GET is so great because the tourists pay a third of it, the tourists should pay for this, the tourists should pay for this. We keep hearing this from the city. Well, guess what? Now we got a proposal that has just that happening. The tourists can pay for it. And, frankly, I think it's obvious that the tourist economy can support a 1% increase. We have record numbers in our tourist industry, and I think this is the right way to go to finish that project. Thank you."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. Still against the amendment, and against the underlying bill. Mr. Speaker, I wanted to comment on the remarks of the Majority Leader, where he said we now in the Legislature--"

The Chair addressed Representative Thielen, stating:

"Now, I don't wish you to debate what the Majority Leader said. Please keep your items to 1183, and not on the Majority Leader."

Representative Thielen continued, stating:

"I am, but in his comments, he stated that we need to step in to the measure, and that's what this floor amendment does. That we need to step in to the rail situation. Well, we are stepping in through this proposed amendment, and we could also step further and take that common sense approach of stopping the overhead rail at Middle Street, saving \$4 billion, \$4 billion, saving four years of construction, and be doing the very sensible thing. So we're in partially, as the Majority Leader said. I say let's take the big step. Bring that sucker down to grade, and run it at-grade all the way to Ala Moana, and maybe with the savings--"

The Chair addressed Representative Thielen, stating:

"You're speaking on another measure. Now speak on 1183."

Representative Thielen: "Thank you, Mr. Speaker."

Representative Saiki rose, stating:

"Mr. Speaker, I call for the question. Please allow members to cast their votes."

At this time, Representative Saiki called for the previous question.

Representative Tokioka rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to the floor amendment. I know the question has been called, but can I proceed? Thank you very much. Opposition. And I say that with a heavy heart, because I know that the Transportation Chair worked extremely hard on a compromise after the draft that was voted out of the conference committee was circulated to the members last week Friday.

"Throughout the whole time during this session, we didn't talk about a TAT to be added on to an amendment of the rail tax. And if you talk to people throughout this county, they have been paying it, and they're okay with paying it. The industry, the supporters of the hotel industry, the construction trades, they all supported a iteration of this draft of 10 years, seven years, some 20, some in perpetuity, but this is what has been the discussion throughout the whole time of this session. Now as the Representative from Kapolei said, which I want to adopt her words into the Journal as if they were my own, and the Representative from Manoa said, and I wanted to adopt the words that he mentioned into the Journal as if they were my own, Mr. Speaker, the city is going to take a \$45 million cut," and the Chair "so ordered." (By reference only.)

Representative Tokioka continued, stating:

"And as a former councilmember for 10 years on the Kauai County Council, it's not that easy to pick and choose who you're going to hit when you try to increase the property tax. A lot of people are saying let's hit the people that, the rich people, \$1 million homes and more. It's not that easy. They're talking about people with second homes. It's not that easy.

"So the fear I have is this 1% will hit the hotel industry at the front door, and what's going to happen if they have to make up that money, it's going to come in a property tax increase to the visitor industry and the hotels through the back door. So from that standpoint, it's very, very distressing that this is the option that we have in front of us.

"I'd also like to note to the members, if they haven't already gotten the texts or seen it on the emails, that the Senate passed the same draft 16-9, Mr. Speaker. So for those reasons, I'm in opposition. And I know again, once again, I know the Transportation Chair worked very hard on the amendment, so thank you very much for the opportunity to speak, Mr. Speaker."

At this time, Representative Saiki called for the previous question.

The motion that Floor Amendment No. 6, amending S.B. No. 1183, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," be adopted, was put to vote by the Chair and carried, with Representatives Choy, Har, Thielen, Tokioka, Tupola and Ward voting no.

Representative Ward rose, stating:

"Point of information, Mr. Speaker. How can we have a voice vote on a billion dollar proposition?"

At 12:35 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 12:37 o'clock p.m.

Representative Ward rose, stating:

"Mr. Speaker, I move to challenge your ruling, as you have spoken before the noes were given a chance to do that, and I would propose that we proceed to do another vote, or to challenge your ruling and have a vote that's fair and equitable. The ruling of the Chair is challenged."

At this time, Representative Ward moved to challenge the ruling of the Chair.

At 12:38 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 12:46 o'clock p.m.

Representative Ward rose, stating:

"I call for a roll call vote, Mr. Speaker."

At this time, the Chair stated:

"The Speaker hasn't made a ruling yet, so if you don't mind. Okay, the Speaker has ruled, because there was a question as to the vote, so we will be calling for the vote again."

At this time, Representative Ward requested a roll call vote.

The request for roll call was put to vote by the Chair, and upon a show of hands, the request was denied.

The motion that Floor Amendment No. 6, amending S.B. No. 1183, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," be adopted, was put to vote by the Chair and carried, with Representatives Choy, Har, Thielen, Tokioka, Tupola and Ward voting no.

At 12:48 o'clock p.m., the Chair noted that Floor Amendment No. 6 was adopted.

At this time, the Chair stated:

"We have a 48-hour notice on this measure. Members, let it be noted. On Amendment Number 6, there's a 48-hour notice.

"All right, members, please turn to page 24, and refer to CCR 91."

Conf. Com. Rep. No. 91 and S.B. No. 382, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 382, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

At this time, Representative Takumi offered Floor Amendment No. 7, amending S.B. No. 382, SD 2, HD 1, CD 1 as follows:

SECTION 1. Senate Bill No. 382, S.D. 2, H.D. 1, C.D. 1, is amended by deleting sections 1, 2, and 3.

SECTION 2. Senate Bill No. 382, S.D. 2, H.D. 1, C.D. 1, is amended by renumbering section 4 as section 1.

SECTION 3. Senate Bill No. 382, S.D. 2, H.D. 1, C.D. 1, is amended by deleting section 5.

SECTION 4. Senate Bill No. 382, S.D. 2, H.D. 1, C.D. 1, is amended by renumbering section 6 as section 2.

Representative Takumi moved that Floor Amendment No. 7 be adopted, seconded by Representative Ichiyama.

Representative Takumi rose to speak in support of the proposed floor amendment, stating:

"Thank you very much, Mr. Speaker. I have a 30-minute speech, so I'm going to delay lunch for everybody and I apologize, but this is a fairly minor change. It was brought to my attention that there are concerns in section one, two and three of this bill, and so all the amendment does is to leave section four, requesting a management audit of the Public Utilities Commission.

"The last management audit was done in 2004, so it seems appropriate that we conduct another audit of the PUC. And some of the sections one, two and three, it basically assumed conclusions that might come out of the audit. For example, it would have amended Chapter 269 that established guiding principles for the PUC, and it was felt that perhaps that's something that would come out of the audit, and then we can see whether or not we as a legislative body should establish guiding principles. So all this language is better dealt with after the audit. Thank you."

The motion that Floor Amendment No. 7, amending S.B. No. 382, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," be adopted, was put to vote by the Chair and carried, with Representative Aquino being excused.

At 12:51 o'clock p.m., the Chair noted that Floor Amendment No. 7 was adopted.

Representative Saiki rose, stating:

"Mr. Speaker, could we take a recess until 1:45?"

At 12:52 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 2:01 o'clock p.m., with Vice Speaker Mizuno presiding.

At this time, the Chair stated:

"Members, please note that the Chair will be moving an item to the end of the calendar, this is on page 29, if you can go to page 29, please. Please note that Conference Committee Report Number 183, this would be H.B. No. 575, HD 1, SD 1, CD 1, will be moved to the end of the calendar."

Conf. Com. Rep. No. 183 and H.B. No. 575, HD 1, SD 1, CD 1:

By unanimous consent, action was deferred to the end of the calendar.

LATE INTRODUCTIONS

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

Representative Keohokalole introduced Ms. Debbie Jackson, Disability and Communication Access Board; and Ms. Mahealani Cypher and Ms. Rocky Kaluhiwa, Koolaulupoko Hawaiian Civic Club.

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, there will be no discussion, as these items have been agreed to by this body for placement on consent calendar."

Conf. Com. Rep. No. 6 and S.B. No. 952, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 952, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 7 and S.B. No. 1171, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1171, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in support of Senate Bill 1171, Conference Draft 1.

"Article I, Section 6 of the Hawaii State Constitution recognizes an individual's right to privacy and forbids the infringement of that right unless there is a 'compelling state interest' in doing so. This right to privacy clearly exists in a person's protected health information.

"However, as matters of policy, health care and the delivery of health care has become increasingly complicated to the extent that aggregated health information can help policy makers—whether state or private actors—understand cost drivers, utilization patterns, and safety issues. To that end, Senate Bill 1171, Conference Draft 1 allows de-identified health information to be used, disclosed, and produced in the State if it complies with federal privacy requirements and are used for appropriate research, safety, or operation purposes. This bill appropriately balances the importance of an individual's privacy with the benefits that come from aggregated and anonymized data."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1171, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HEALTH CARE PRIVACY HARMONIZATION ACT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 8 and S.B. No. 1227, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1227,

HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FORECLOSURES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 9 and H.B. No. 192, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 192, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMEOWNERS' ASSOCIATIONS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 10 and H.B. No. 1498, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1498, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 13 and S.B. No. 1073, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1073, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Conf. Com. Rep. No. 14 and S.B. No. 1074, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1074, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FIFTIETH ANNIVERSARY OF THE HAWAII STATE CAPITOL," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 15 and S.B. No. 584, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 584, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 16 and S.B. No. 376, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 376, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERISLAND TRANSMISSION SYSTEM," passed Final Reading by a vote of 50 ayes to 1 no, with Representative LoPresti voting no.

Conf. Com. Rep. No. 18 and S.B. No. 724, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 724, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NON-DISCRETIONARY COSTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 19 and S.B. No. 941, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 941, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC FUNDS TRANSFERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 21 and H.B. No. 239, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 239, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 22 and H.B. No. 1588, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1588, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 24 and H.B. No. 845, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 845, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in strong support of House Bill 845, Conference Draft 1. Many people released from prison often find it difficult to obtain appropriate identification for their reintegration into society. This lack of identification—in the form of state identification, birth certificates, or Social Security cards—creates significant barriers for employment, housing, complying with conditions of parole, and accessing other important services within the community. All of these obstacles increase a formerly incarcerated person's likelihood of committing other crimes and ending up in prison again.

"According to a 2004 study from the Legal Action Center, the first few weeks after an inmate is discharged play a critical role in his or her successful reentry and prevention of recidivism. In 2012, the Native Hawaiian Justice Task Force made several recommendations in its final report on how to best support formerly incarcerated persons in their rehabilitation and stable reintegration into society. A key recommendation of the task force was to provide civil identification cards for persons re-entering the community to assist in securing employment and housing.

"Inmates who are released from prison face a multitude of challenges, including both systemic legal and societal barriers, as they attempt to enter back into society. House Bill 845 would assist inmates in obtaining civil identification and other forms of identification prior to their being released from prison—an important first step in successfully reintegrating back into Hawaii's communities."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 845, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 25 and H.B. No. 1129, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1129, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL DUTY FOR DEPUTY SHERIFFS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 27 and H.B. No. 655, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 655, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ROSE-RINGED PARAKEET," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 28 and S.B. No. 948, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 948, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENTAL RETENTION OF ATTORNEYS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 29 and S.B. No. 992, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 992, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VESSELS AGROUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 30 and S.B. No. 976, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 976, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TIER II FILING FEES FOR REPORTING OF HAZARDOUS SUBSTANCES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 32 and H.B. No. 425, HD 1, SD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 425, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 35 and H.B. No. 1516, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1516, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL FORFEITURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 38 and H.B. No. 1444, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1444, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in support of House Bill 1444, Conference Draft 1.

"Pharmacy benefit managers play an increasingly important role in our healthcare system. In many cases, they administer prescription drug programs, process insurance claims, manage clinical programs, and operate pharmacies themselves. The creation of Medicare Part D, the expansion in coverage from the Affordable Care Act, and the skyrocketing cost of prescriptions make the outsourcing of pharmacy services appealing to commercial health insurers.

"Given the prominent role pharmacy benefit managers play in administering a crucial part of a person's health insurance benefits, regulation and transparency is needed to protect and serve the interests of consumers. Annual registration with the office of the insurance commissioner is an important step necessary for the regulation of this industry to ensure that they behave in an accountable and transparent manner when serving our residents.

"For these reasons, Mr. Speaker, I support House Bill 1444, Conference Draft 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1444, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 39 and H.B. No. 561, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 561, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"I stand in strong support of House Bill 561, Conference Draft 1.

"The tragic death of three-year-old Finley Boyle highlights the critical importance of requiring adherence to safe and best sedation practices by dentists within the community. By requiring on-site inspection of dental facilities, equipment and personnel—not simply authorizing these inspections as is the current status of the rules of the Board of Dental Examiners—this measure ensures that patient safety is of paramount concern.

"By also requiring a notice to consumers about the Department of Commerce and Consumer Affairs' Consumer Resource Center where patients can verify the licensed credentials of a dentist, request prior complaint history, or file a complaint against a dentist or dental licensee, patients can be empowered with knowledge and be assured that their dentist meets the standards of the community.

"Given the important role dentistry plays in maintaining a person's overall health, the requirements and notifications in House Bill 561 provide that the practice of dentistry throughout our state meets the highest standards of patient safety. For these reasons, Mr. Speaker, I support House Bill 561, Conference Draft 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 561, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTISTRY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 40 and H.B. No. 852, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 852, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 44 and S.B. No. 865, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 865, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 46 and S.B. No. 369, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 369, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 49 and S.B. No. 997, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 997, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 50 and S.B. No. 488, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 488, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEARCH WARRANTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 54 and H.B. No. 1099, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1099, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REPORTS OF CHILD ABUSE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 55 and H.B. No. 73, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 73, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO JUDICIAL PROCEEDINGS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 57 and H.B. No. 280, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 280, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CANDIDATE COMMITTEE REPORTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 58 and H.B. No. 281, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 281, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FAILURE TO FILE A REPORT WITH THE CAMPAIGN SPENDING COMMISSION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 60 and H.B. No. 1033, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1033, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE PROCEDURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 61 and S.B. No. 950, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 950, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 66 and S.B. No. 322, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 322, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT JURISDICTION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 67 and S.B. No. 947, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 947, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CITATIONS FOR BEAUTY CULTURE VIOLATIONS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 68 and S.B. No. 1264, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1264, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SECURITY GUARDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 69 and S.B. No. 396, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 396, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SECURITY INTERESTS IN REAL PROPERTY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 70 and S.B. No. 314, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 314,

SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ARBITRATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 74 and H.B. No. 301, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 301, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RESPONSE TO WRIT FOR CERTIORARI," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 76 and S.B. No. 572, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 572, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION PRACTICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 78 and S.B. No. 949, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 949, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 79 and S.B. No. 655, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 655, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDIA ACCESS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 80 and H.B. No. 1235, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1235, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM FAMILY LAW ARBITRATION ACT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 81 and H.B. No. 511, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 511, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LOBBYISTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 83 and S.B. No. 102, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 102, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FEDERAL FUNDING POLICY STUDY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 84 and S.B. No. 712, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 712, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE VARIANCE REPORT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 85 and S.B. No. 713, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 713, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUDGET DOCUMENTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 86 and S.B. No. 722, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 722,

SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EFFICIENCY MEASURES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 87 and S.B. No. 387, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 387, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in support of Senate Bill 387, Conference Draft 1.

"An important provision of the federal Patient Protection and Affordable Care Act (ACA) of 2010 is its requirement that health plans meet network adequacy standards to ensure that patients and consumers of healthcare services have access to needed care without unreasonable delay. Based upon the Network Adequacy Model Act adopted by the National Association of Insurance Commissioner in November 2015, Senate Bill 387, Conference Draft 1 is Hawaii's adaptation of the Model Act to ensure the adequacy, accessibility, transparency, and quality of healthcare services offered to all consumers—including low-income, medically underserved individuals—under insurance plans offered in this state.

"A key feature throughout the requirements and provisions of Senate Bill 387, Conference Draft 1 is the sharing of information with regulators and consumers to assure that insurance plans maintain networks that are sufficient in numbers and appropriate types of providers to assure that all covered benefits will be accessible without unreasonable travel or delay. For consumers or patients, an important feature of this bill is the posting of current and accurate provider directories so that members of the public can find appropriate healthcare professionals to serve and meet their critical healthcare needs.

"The impetus is placed on health carriers—or insurance companies responsible for the delivery, payment, or reimbursement of healthcare services—to establish and maintain adequate arrangements to ensure covered persons have reasonable access to participating providers near their homes or businesses. The impetus is also placed on health carriers to ensure that participating providers furnish covered benefits to all covered persons without regard to the covered person's enrollment in the plan as a private purchaser of the plan or as a participant in publicly financed programs of healthcare services.

"As a bill that outlines the critical responsibilities of insurance carriers and healthcare providers to ensure the adequacy of Hawaii's healthcare services, I support Senate Bill 387, Conference Draft 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 387, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 89 and S.B. No. 1006, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1006, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTATE AND GENERATION-SKIPPING TRANSFER TAXES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 90 and S.B. No. 292, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 292, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 92 and S.B. No. 99, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 99, SD 1,

HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING CHOICE VOUCHER PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 93 and S.B. No. 407, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 407, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 98 and S.B. No. 911, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 911, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 100 and S.B. No. 149, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 149, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 102 and S.B. No. 885, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 885, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE RISK MANAGEMENT AND INSURANCE ADMINISTRATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 103 and S.B. No. 935, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 935, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STAFF OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 104 and S.B. No. 930, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 930, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY OF THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 105 and S.B. No. 902, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 902, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 107 and S.B. No. 900, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 900, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 109 and S.B. No. 936, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 936, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE

EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 111 and H.B. No. 50, HD 3, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 50, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO APPRAISAL MANAGEMENT COMPANIES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 112 and H.B. No. 478, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 478, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 113 and H.B. No. 1436, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1436, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AWARDED FEDERAL EMERGENCY MANAGEMENT AGENCY HAZARD MITIGATION GRANT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 114 and H.B. No. 942, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 942, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Cullen's written remarks in support of the measure are as follows:

"I stand in strong support of HB 942, HD 1, SD 1, CD 1. This measure authorizes the State Foundation on Culture and the Arts to commission an artist to design and build a monument to honor and commemorate Filipino veterans of World War II.

"Our state has a rich cultural diversity, and it is our duty to honor veterans. This monument is a small token of appreciation to honor those who gave their lives in service. Understanding that conflict leads to peace, it is in times of peace that we must remember those who sacrificed so much for our nation.

"The Filipino Veterans of World War II Congressional Gold Medal Act of 2015 recognized Filipino veterans for their brave service. I believe this measure and the monument it will create is an extension of the recognition that our Filipino veterans truly deserve."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 942, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FILIPINO VETERANS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 115 and H.B. No. 1420, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1420, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Cachola's written remarks in support of the measure are as follows:

"The purpose of this act is to appropriate funds to the Office of Veterans Services for the provision of burial grants for Filipino-American veterans.

"The sacrifices of Filipino soldiers played a vital role in the Allied victory in the Pacific as their numerous guerrilla actions provided United States forces with time to build and prepare for the Allied counterattack. Filipino soldiers fought side-by-side with United States forces to secure their island

nation as the strategic base from which the Allied forces launched their final effort to bring an end to World War II.

"Although Filipino soldiers exhibited tremendous courage and risked their lives to win the war in the Pacific, many of these soldiers were denied full veterans benefits, including U.S. citizenship and burial benefits, which had been promised to them by the United States.

"While Filipino soldiers meeting specific requirements were eventually provided with burial benefits at national and state veterans' cemeteries at no cost, similar to other veterans of the United States Armed Forces, the wish of some Filipino soldiers who were living in Hawaii was that their remains be returned to their homeland. However, this benefit of returning the remains of Filipino soldiers to their homeland for burial was not provided to them.

"This has long been overdue. Numerous Filipino soldiers eagerly waited for their benefits year after year. Decades have gone by and nothing has materialized. Some Filipino soldiers have petitioned their families to come to Hawaii with the hope that they could bring their families and reunite. They have waited two decades. Tragically, some of these soldiers died before any petition papers to come to Hawaii were approved.

"On a personal note, when my father, a guerilla fighter in WWII, died we were uncertain if we should send his body to the Philippines where my late mother was buried. After deliberating, I decided to keep his body here with the reason that my father would meet my late mother in Heaven. During World War II, enemy soldiers detained my wife's father and imprisoned him at a camp. Unfortunately, a bomb demolished the same imprisonment camp and her father's remains were lost. This bill would honor their sacrifices.

"Many parties were instrumental in the passage of this bill. First, I would like to thank the Philippine Consulate and countless leaders within the Filipino Community. Without their rich testimony in support of this bill throughout the legislative process, it would never have gone forward.

"Last, but not least, I want to personally thank my colleagues in this Legislature, both House and Senate Chambers, for passing HB 1420 and honoring the sacrifices of the Filipino soldiers in World War II. Without your support, this would not be possible. It may only be for one year, but hopefully we find additional funding for many more years to come."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1420, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FILIPINO VETERANS BURIAL ASSISTANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 117 and H.B. No. 144, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 144, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MITIGATION OF HAZARDOUS SITUATIONS STATEWIDE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 119 and H.B. No. 1414, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1414, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF TAXATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 120 and H.B. No. 523, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 523, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 122 and H.B. No. 428, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 428, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHYSICIAN WORKFORCE ASSESSMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 123 and H.B. No. 1115, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1115, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LABOR RELATIONS BOARD," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 124 and H.B. No. 530, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 530, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMEBUYER ASSISTANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 125 and H.B. No. 453, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 453, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 126 and H.B. No. 235, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 235, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 128 and H.B. No. 615, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 615, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HEALTHY AGING PARTNERSHIP PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 129 and H.B. No. 607, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 607, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"I stand in strong support of House Bill 607, Conference Draft 1. The purpose of this measure is to improve the care of elderly in Hawaii by authorizing the Executive Office on Aging to establish the Kupuna Caregivers Program to assist community members in obtaining care for elders while remaining in the workforce. House Bill 607 also clarifies the services and supports provided by area agencies within the existing Kupuna Care Program. Lastly, \$600,000 is appropriated for fiscal year 2017-2018 for the establishment and implementation of the Kupuna Caregivers Program.

"Hawaii has a rapidly growing elderly population. According to 2015 population data, 16.5% of the population is 65 years and older. The percentage is projected to rise to 19.4% by 2020 and 23% by 2030. Unpaid family caregivers in Hawaii play a critical role in long-term care for the elderly, and they face considerable stress financially, emotionally, and physically.

"By laying the foundation for the Kupuna Caregivers Program, House Bill 607 tasks the Executive Office on Aging with the important, groundbreaking

job of creating a valuable program that can assist and address the ever increasing needs of Hawaii's elderly population and their caregivers."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 607, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KUPUNA CARE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 130 and H.B. No. 552, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 552, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in strong support of House Bill 552, Conference Draft 1.

"The passage of the Patient Protection and Affordable Care Act (ACA) of 2010 has resulted in improved access and improved health care for millions of people who had previously been uninsured due to the insurmountable cost of health insurance or who were uninsurable due to pre-existing conditions that prohibited them from even qualifying for health insurance. The ACA's list of Essential Health Benefits has strengthened health plans that were previously threadbare and allowed individuals to access the type of care that prevents even greater costs to the healthcare system. Families and individuals can also rest easier knowing that the ACA limits total out-of-pocket expenses so that a medical catastrophe does not turn into a financial one.

"It is therefore disheartening to see Republicans in Congress and the White House desperately trying to either repeal the ACA or dismantle its many important protections.

"Although this bill initially attempted to embed the ACA's protections in our state's laws and healthcare system, it quickly became clear that the policy issues surrounding this effort were far too complex to address in a single session. Therefore, this bill creates a working group comprised of members of the Legislature and various departments that will convene during the interim to make suggestions for legislative and administrative action in 2018. Done this way, the working group will have time to contemplate the issues raised during session and dynamically respond to changes coming from Washington, D.C.

"It is important that we do not take steps backward when it comes to protecting the health of our residents and access to quality health care for everyone in our community. For these reasons, Mr. Speaker, I support House Bill 552, Conference Draft 1, and look ahead to the work that we must do collectively to continue to ensure Hawaii's performance as one of the nation's healthiest states."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 552, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 131 and H.B. No. 1244, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1244, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in support of House Bill 1244, Conference Draft 1.

"Water plays an important role in the history and economy of this state. In the Hawaiian creation myth, water—or *wai*—is the manifestation of the god Kāne. Native Hawaiians recognized our streams and oceans as a source of life and well-being. Even today, Hawaii is renowned worldwide for its

pristine waters. This fame draws tourists to the State and gives many residents a source of recreation. However, as we learned from testimony throughout this session, approximately 90,000 cesspools exist in this state that pose a threat to public health and the quality of our drinking and recreational waters.

"House Bill 1244 does three things. First, House Bill 1244 requires, by 2050, the upgrade, conversion, or connection of all cesspools so that they handle waste in a more environmentally appropriate manner. A limited exemption from this mandate is allowed where the Department of Health deems it infeasible to upgrade, connect or convert these cesspools. Second, House Bill 1244 adjusts the definition of a 'qualified cesspool' to include cesspools within 500 feet of sensitive waterways or that impact drinking or recreational waters. Finally, House Bill 1244 requires the Department of Health to more thoroughly investigate and report on the number and impact of cesspools as well as the feasibility of a grant program to assist low-income property owners with adapting their cesspools to comply with the first requirement of this bill.

"Mr. Speaker, this bill may primarily affect those who live in rural areas and on the neighbor islands. However, I think we can all agree that our water—our history, our economy—are worth protecting and that we will revisit the topic next session and in sessions to come to identify solutions that will involve not just homeowners, but counties and the private sector, to make the necessary changes and implement the policies that will protect our environment. For these reasons, Mr. Speaker, I support House Bill 1244, Conference Draft 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1244, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CESSPOOLS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 132 and H.B. No. 186, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 186, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COFFEE BERRY BORER BEETLE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 136 and H.B. No. 143, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 143, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 137 and H.B. No. 1465, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1465, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 139 and H.B. No. 1382, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1382, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 141 and H.B. No. 1578, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1578, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in support of House Bill 1578, Conference Draft 1.

"The Carbon Farming Task Force created by this measure moves Hawaii in the right direction of identifying benchmarks and best practices for carbon sequestration appropriate for Hawaii's climate and geography that can help flight climate change and rising sea levels—both threats to island economies such as ours.

"Once these benchmarks and best agricultural, aquacultural and public land management practices are identified, certifications, financial incentives, and other public policy options can be developed that will move all of Hawaii's stakeholders—big and small farmers, scientists, ranchers, landowners, and community advocates—towards a stronger, more secure, and economically robust homegrown agricultural industry. For these reasons, I support House Bill 1578, Conference Draft 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1578, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLIMATE CHANGE," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Conf. Com. Rep. No. 143 and H.B. No. 1351, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1351, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Belatti's written remarks in support of the measure are as follows:

"I stand in support of House Bill 1351, Conference Draft 1. This measure authorizes the director of health to expend monies to support county electronics recycling programs.

"Recycling electronic devices helps to prevent toxins, such as lead, from leaching into the environment and posing a threat to human health while also conserving space at inland fills and allowing valuable resources contained in electronic devices, such as copper, gold and aluminum, to be reclaimed for future use. Counties manage electronic device collection programs but currently do not receive monies from the electronic device recycling fund.

"When the law governing recycling electronics passed in 2010, the Department of Health distributed funds to the counties to help with costs associated with collecting used electronics. Two years ago, the attorney general concluded that the language of HRS Chapter 339D did not allow the Department to provide funding to the counties, causing disruption to the existing system.

"House Bill 1351, Conference Draft 1 allows the director of the Department of Health to provide funding to the counties to ensure the successful continuation of electronic device recycling programs throughout the State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1351, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ELECTRONIC DEVICE RECYCLING FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 144 and H.B. No. 957, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 957, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEAT ABATEMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 146 and H.B. No. 335, HD 2, SD 1, CD 1:

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, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 147 and H.B. No. 1031, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1031, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 150 and H.B. No. 633, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 633, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSISTING DAM AND RESERVOIR OWNERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 153 and S.B. No. 850, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 850, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 157 and S.B. No. 808, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 808, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII ASSOCIATION OF CONSERVATION DISTRICTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 159 and S.B. No. 914, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 914, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 160 and S.B. No. 915, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 915, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 161 and H.B. No. 165, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 165, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC MEETINGS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 162 and H.B. No. 110, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 110, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 163 and H.B. No. 208, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 208, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LABOR," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 169 and H.B. No. 937, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 937, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EARLY LEARNING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 170 and H.B. No. 498, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 498, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EARLY LEARNING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 171 and H.B. No. 880, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 880, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 173 and H.B. No. 1325, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1325, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Yamashita's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support of House Bill No. 1325 House Draft 1, Senate Draft 1, Conference Draft 1, Relating to Biosecurity. I would like to speak on this bill in remembrance of the late Representative Clift Tsuji.

"Our dear friend and late Representative recognized the importance of biosecurity in our state, due to our susceptibility to the introduction of invasive species. Such species have the potential to cause immense damage to crops, threaten our fragile ecosystems, and wreak havoc on our local industries. He further believed that it is much more difficult to eradicate these pests after the fact, than it is to prevent the introduction of said species.

"Many of the late Representative Tsuji's last thoughts and discussions with family, friends and colleagues were about biosecurity, consistent with his many years of state and federal-level efforts to ensure the timely execution of Hawaii's biosecurity plan.

"Mr. Speaker, I believe that the late Representative would be extremely proud and pleased that his family, friends, colleagues and supporters worked together to move this measure, affectionately known as the 'Clift Tsuji Act,' forward and through this session in order to protect this island state that he loved."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1325, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BIOSECURITY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 176 and S.B. No. 918, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 918, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 177 and S.B. No. 919, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 919, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 178 and S.B. No. 926, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 926, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 179 and S.B. No. 26, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 26, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE OFFICE OF THE PROSECUTING ATTORNEY FOR HAWAII COUNTY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 180 and S.B. No. 491, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 491, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE DEPARTMENT OF THE PROSECUTING ATTORNEY OF THE CITY AND COUNTY OF HONOLULU," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 182 and H.B. No. 637, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 637, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUILDING CODES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 184 and H.B. No. 794, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 794, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY AT THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 186 and H.B. No. 627, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 627, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC-PRIVATE PARTNERSHIPS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McKelvey voting no.

Conf. Com. Rep. No. 188 and H.B. No. 1044, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1044, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE FUELS TAX CREDIT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 191 and S.B. No. 859, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 859, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 51 ayes.

At 2:03 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 952, SD 1, HD 1, CD 1
 S.B. No. 1171, SD 1, HD 1, CD 1
 S.B. No. 1227, HD 2, CD 1
 H.B. No. 192, HD 2, SD 1, CD 1
 H.B. No. 1498, HD 1, SD 1, CD 1

S.B. No. 1073, SD 1, HD 1, CD 1
 S.B. No. 1074, SD 1, HD 1, CD 1
 S.B. No. 584, SD 1, HD 1, CD 1
 S.B. No. 376, SD 1, HD 1, CD 1
 S.B. No. 724, HD 1, CD 1
 S.B. No. 941, HD 1, CD 1
 H.B. No. 239, HD 2, SD 1, CD 1
 H.B. No. 1588, HD 1, SD 1, CD 1
 H.B. No. 845, HD 2, SD 2, CD 1
 H.B. No. 1129, HD 1, SD 1, CD 1
 H.B. No. 655, HD 1, SD 1, CD 1
 S.B. No. 948, HD 1, CD 1
 S.B. No. 992, SD 2, HD 1, CD 1
 S.B. No. 976, HD 1, CD 1
 H.B. No. 425, HD 1, SD 3, CD 1
 H.B. No. 1516, HD 1, SD 1, CD 1
 H.B. No. 1444, HD 2, SD 2, CD 1
 H.B. No. 561, HD 2, SD 1, CD 1
 H.B. No. 852, HD 2, SD 1, CD 1
 S.B. No. 865, SD 1, HD 1, CD 1
 S.B. No. 369, SD 1, HD 1, CD 1
 S.B. No. 997, SD 1, HD 2, CD 1
 S.B. No. 488, SD 1, HD 1, CD 1
 H.B. No. 1099, HD 1, SD 2, CD 1
 H.B. No. 73, HD 1, SD 1, CD 1
 H.B. No. 280, HD 1, SD 1, CD 1
 H.B. No. 281, HD 1, SD 1, CD 1
 H.B. No. 1033, HD 1, SD 1, CD 1
 S.B. No. 950, SD 2, HD 1, CD 1
 S.B. No. 322, SD 1, HD 1, CD 1
 S.B. No. 947, SD 2, HD 1, CD 1
 S.B. No. 1264, SD 1, HD 2, CD 1
 S.B. No. 396, SD 1, HD 1, CD 1
 S.B. No. 314, SD 1, HD 1, CD 1
 H.B. No. 301, HD 1, SD 1, CD 1
 S.B. No. 572, SD 1, HD 1, CD 1
 S.B. No. 949, SD 1, HD 1, CD 1
 S.B. No. 655, SD 2, HD 2, CD 1
 H.B. No. 1235, HD 1, SD 1, CD 1
 H.B. No. 511, HD 1, SD 1, CD 1
 S.B. No. 102, HD 1, CD 1
 S.B. No. 712, HD 1, CD 1
 S.B. No. 713, SD 1, HD 1, CD 1
 S.B. No. 722, SD 1, HD 1, CD 1
 S.B. No. 387, SD 1, HD 1, CD 1
 S.B. No. 1006, SD 1, HD 1, CD 1
 S.B. No. 292, SD 1, HD 1, CD 1
 S.B. No. 99, SD 1, HD 1, CD 1
 S.B. No. 407, SD 1, HD 1, CD 1
 S.B. No. 911, SD 1, HD 1, CD 1
 S.B. No. 149, HD 1, CD 1
 S.B. No. 885, SD 2, HD 2, CD 1
 S.B. No. 935, SD 2, HD 1, CD 1
 S.B. No. 930, SD 2, HD 1, CD 1
 S.B. No. 902, SD 1, HD 1, CD 1
 S.B. No. 900, SD 1, HD 1, CD 1
 S.B. No. 936, SD 2, HD 1, CD 1
 H.B. No. 50, HD 3, SD 2, CD 1
 H.B. No. 478, HD 1, SD 1, CD 1
 H.B. No. 1436, HD 2, SD 1, CD 1
 H.B. No. 942, HD 1, SD 1, CD 1
 H.B. No. 1420, HD 1, SD 1, CD 1
 H.B. No. 144, HD 1, SD 1, CD 1
 H.B. No. 1414, HD 1, SD 1, CD 1
 H.B. No. 523, SD 1, CD 1
 H.B. No. 428, HD 1, SD 1, CD 1
 H.B. No. 1115, HD 1, SD 1, CD 1
 H.B. No. 530, HD 2, SD 2, CD 1
 H.B. No. 453, HD 1, SD 1, CD 1
 H.B. No. 235, HD 1, SD 1, CD 1
 H.B. No. 615, HD 1, SD 1, CD 1
 H.B. No. 607, HD 1, SD 2, CD 1
 H.B. No. 552, HD 1, SD 2, CD 1

H.B. No. 1244, HD 1, SD 2, CD 1
 H.B. No. 186, HD 1, SD 2, CD 1
 H.B. No. 143, SD 1, CD 1
 H.B. No. 1465, HD 2, SD 2, CD 1
 H.B. No. 1382, HD 1, SD 1, CD 1
 H.B. No. 1578, HD 1, SD 2, CD 1
 H.B. No. 1351, HD 1, SD 2, CD 1
 H.B. No. 957, HD 1, SD 2, CD 1
 H.B. No. 335, HD 2, SD 1, CD 1
 H.B. No. 1031, HD 1, SD 1, CD 1
 H.B. No. 633, HD 1, SD 1, CD 1
 S.B. No. 850, HD 2, CD 1
 S.B. No. 808, SD 1, HD 1, CD 1
 S.B. No. 914, SD 1, HD 1, CD 1
 S.B. No. 915, SD 1, HD 1, CD 1
 H.B. No. 165, HD 1, SD 2, CD 1
 H.B. No. 110, HD 1, SD 2, CD 1
 H.B. No. 208, HD 2, SD 2, CD 1
 H.B. No. 937, HD 1, SD 1, CD 1
 H.B. No. 498, HD 1, SD 1, CD 1
 H.B. No. 880, HD 1, SD 2, CD 1
 H.B. No. 1325, HD 1, SD 1, CD 1
 S.B. No. 918, SD 1, HD 1, CD 1
 S.B. No. 919, SD 1, HD 1, CD 1
 S.B. No. 926, SD 1, HD 1, CD 1
 S.B. No. 26, SD 1, HD 1, CD 1
 S.B. No. 491, SD 1, HD 1, CD 1
 H.B. No. 637, HD 2, SD 2, CD 1
 H.B. No. 794, HD 1, SD 2, CD 1
 H.B. No. 627, HD 2, SD 2, CD 1
 H.B. No. 1044, HD 1, SD 2, CD 1
 S.B. No. 859, SD 1, HD 1, CD 1

At this time, the Chair stated:

"Members, please remember to submit to the Clerk's Office the list of House and Senate bills on the consent calendar that you wish to insert written comments, in support or in opposition. This must be done before today's adjournment of the floor session."

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 4 and S.B. No. 514, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 514, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. I just wanted to share again some of the concerns about us turning our pharmacies into urgent cares without having a doctor present. I've already said that there's been multiple incidents reported, but still, from the time we last voted till now, no one's checked how many of these incidents have happened here in Hawaii, and to date, there's been 37,474 vaccine reaction reports made to the federal system in regards to the HPV vaccine.

"And so, just for the edification of the members, this vaccine only had two years of testing before it got placed on the federal calendar, and on top of it, it was never tested with children that have health problems or given in conjunction with other immunizations. And so I think that us giving this ability to pharmacists without knowing these facts about whether or not this should be a good thing to do inside pharmacies that are in a commercial setting, I know that we need more access to health care, but I would hope that the safety of our patients comes before that, making sure that we do this in the right way.

"Typically when you take the HPV, they say that you're supposed to wait 15 minutes, make sure that the physician monitors you in case you have an

adverse event, but this is allowing them to do it in a pharmacy where there isn't a physician, and I don't think our pharmacies are equipped to be urgent cares. And for those reasons, I'm in opposition. Thank you."

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

"Thank you, Mr. Speaker. In strong support. Just very brief comments, Mr. Speaker. I stand in strong support for this important public health measure that ensures access to important vaccinations in accordance with the CDC protocols, that it will improve the overall health and wellbeing of our *keiki*.

"I'd like to note that in order for children to receive this vaccination in the pharmacy setting, there must be a valid prescription, and that must be verified by the pharmacist, that the prescriber or the prescriber's authorized agent is the patient's medical home. The pharmacists who administer these vaccinations are required to complete a training program approved by the Accreditation Council for Pharmacy Education prior to administering the vaccines. These pharmacists must also complete a training program every other biennial renewal period and submit proof of the completion of that board-approved course to the Board of Pharmacy.

"Finally, after any vaccination is administered, the pharmacist must immediately provide to the patient a vaccination record, including the patient's name, date of birth, type of vaccine administered, and the date and location it was administered, and provide within 72 hours to the medical home and within five business days to the Department of the Health Immunization Registry the same information that was provided to the patient. So this is something that is well within good public health protocols, and an important measure for our *keiki*. Thank you."

Representative Har rose 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 SB 514, SD 1, HD 1, CD 1. This bill authorizes pharmacists to administer human papillomavirus (HPV), Tdap (tetanus, diphtheria, pertussis), meningococcal, or influenza vaccines to persons between 11 and 17 years of age and in a pharmacy setting. While this bill increases access to vaccinations for younger children, it is for this very reason that I am in opposition.

"Research shows that there are health-related risks when administering vaccines. The HPV vaccine is no different. Currently, under Hawaii Revised Statutes, the HPV vaccine can be administered to those 14 and older. However, no tests for adverse effects have been completed for younger children. Therefore, it is perplexing that the Legislature seeks to pass a measure that would allow this vaccine to be administered to children under the age of 14, without proper testing. We do not have the scientific evidence guaranteeing the safety of our children to support such a measure.

"Furthermore, under current law, the HPV vaccine is administered in a doctor's office or hospital in the event the patient has an adverse reaction, which is known to happen with this vaccine. SB 514, SD 1 allows the HPV vaccine to be administered in a pharmacy setting where there are no first responders present. Therefore, if a child between the ages of 11 and 17 does in fact have an adverse reaction to the vaccine administered at a pharmacy, that patient will not have immediate access to the medical attention he or she may need.

"For these reasons, Mr. Speaker, I stand in opposition to SB 514, SD 1, HD 1, CD 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 514, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 45 ayes to 6 noes, with Representatives Cachola, Har, Kong, McDermott, Oshiro and Tupola voting no.

Conf. Com. Rep. No. 5 and S.B. No. 609, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 609, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, ruling on a potential conflict. Mr. Speaker, I'm an accountant, I do peer reviews, I'm a qualified peer reviewer, and for fun I read accounting standards," and the Chair ruled, "no conflict."

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

"In strong support of this measure, Mr. Speaker. Unfortunately, the measure is perfect, but the committee report doesn't reconcile with the measure, so I would like permission to enter written comments in the Journal to clarify the committee report. Thank you."

Representative Choy's written remarks are as follows:

"Mr. Speaker, my comments are made to correct the report from the committee on conference, CCR No. 5.

"The committee's report incorrectly states 'This measure deletes the specific reference to AT section 201 of the AICPA Standards to instead require that peer review procedures be subject to all of the AICPA Standards, which will enable the Board to make references to the pertinent sections of the AICPA standards as needed.'

"The bill specifically states that '(b) The procedures required by this section shall be performed in accordance with the Statements on Standards for Attestation Engagements adopted by the American Institute of Certified Public Accountants' and not the entire set of standards promulgated by the AICPA.

"This is technical but an important point because the AICPA sets many standards.

"Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 609, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ATTESTATION ENGAGEMENTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 11 and H.B. No. 1501, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1501, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. Just real briefly, I needed to clarify, there was a news article that was done on March 5th this year about this bill, and it said, supporters of this bill predict that it will save the state government millions of dollars by reducing the number of people sent to prison for drug offenses. And so what we're talking about here is drug paraphernalia offenses.

"So in there, it stated that there are 109 people that had this as their leading charge, and this is why they were in prison. But then in the testimony, and I have to read this so that everybody can hear this, because not everyone has the chance to read through these. From the Attorney General's Office it says, this bill may not accomplish its intended purpose. In practice, the possession of drug paraphernalia is rarely, if ever charged without a companion count for Promoting a Dangerous Drug in the Third Degree. This is in HRS 1212-1243. So this states that the companion of dangerous drug charges is almost always with paraphernalia, so very rarely do they ever charge that solely as its own, and it's not the leading charge.

"And later, the Department of Public Safety came forward and actually corrected that. They said, first, PSD concurs with the testimony of the Department of the Attorney General, the Office of the Public Defender, the Honolulu Department of the Prosecuting Attorney, and the Kauai Office of the Prosecuting Attorney stating that in the vast majority of cases, a defendant is charged with possession or distribution of the illegal drug itself in addition to possession of drug paraphernalia. So not alone. As such, decriminalizing the paraphernalia charge will have no impact on the prison population.

"So they state that, and they actually corrected that they're, it's not clear that 109 cases had that as the leading charge, when the charge is currently a felony C, in addition to PDD 3, possession of a dangerous drug in the third degree, are both felony C charges.

"The reason I bring that up is because if this was intended to decrease the prison population, it won't. But at the end of the day, what does it do? Nothing. Because people just won't charge that crime, they'll just go straight to the PDD 3 crime, and if people are concerned that this is going to put more people in prison who are doing medical marijuana, that is exempt. PDD 3 does not include marijuana as a dangerous drug. It is not listed as a dangerous drug. What we're talking about is meth. So, not medical marijuana, or marijuana for illegal use. It's not marijuana. PDD 3, or the list of dangerous drugs, is other substances aside from marijuana. So, I'm bringing that up because those are some of the concerns, that we might be hurting those people who might need this for that cause. This is not part of that.

"And so I personally am not for decriminalization, and if we're trying to get at solving the prison population and the Public Safety Department is against this because we're not doing that, then my question is, what are we doing by doing this? What is being made better, when this is just going to become something that's not even charged anymore, because they will focus on the other charges that are more important to this.

"The only reason I'm bringing these things up is because if we are on a slippery slope towards decriminalization, we should just already go there. But if we're doing something that definitely is confusing the system, sending two charges on different tracks, we're essentially doing nothing more than complicating the HRS. And those are my thoughts and that's why I'm in opposition. Thank you."

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

"Thank you, Vice Speaker. I attended the OCCC informational hearing last week. Very few of us did. In fact, I think only the Vice Chair of Public Safety went with me, because it was really bad traffic. And the public input there, other than they did not want OCCC in their backyard, was they wanted to push for rehabilitation and programs, rather than incarceration.

"In fact, a Halawa ACO spoke up and said, when you start looking at the prison population, the population here in Hawaii differs from the mainland in that over 60% of the incarcerated people in Hawaii are for non-violent crimes, which is exactly the opposite in the mainland. And so what she was saying, and the Vice Chair of Public Safety who was there listening with me could correct me if I was wrong, but what she was saying is that our crimes are not different from the mainland, it's just that our priorities are different.

"And so this is the first step in changing that skewed philosophy. It is the first step in ensuring that our prison space, at \$104 per person per day, which is more than the mainland people pay for their incarcerated, goes towards the violent criminals. It ensures that we have space for the violent criminals.

"This bill decriminalizes drug paraphernalia, which basically requires still a substantial penalty, \$500. Basically, paraphernalia is the crime of holding a vessel, not the drug itself, because the prior Representative is correct in that the prosecutor charges the drug case as well as the paraphernalia case.

"So basically what we are doing is we are asking the prosecutors to do their job, to convict and charge for the actual crime and not the vessel. We don't do that with minors in possession of alcohol. We don't charge them with a Class C felony for having a flask if they were caught drinking. But

we do, when you happen to have a joint and rolling papers. It is arbitrarily applied.

"In fact, I ran into one of the people who was protesting right out here in the rotunda as part of the Innocence Project, and she said her son is still suffering from PTSD, because contrary to what the prior Representative said, her son was incarcerated solely for drug paraphernalia. And that is the kind of arbitrariness that we must stop. It is the kind of philosophy that we must start changing if we want to make sure that the violent criminals are incarcerated. Thank you."

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

"Thank you, Mr. Speaker. I'll be speaking against this measure. First of all, I think we need to understand what the law regarding drug paraphernalia includes. It is basically unlawful for any person to use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store.

"Those elements there, regarding the manufacture, compounding, conversion, production, processing, prepare, test, analyze, pack, deal with what they call crystal methamphetamine. Crystal methamphetamine on the street is called ice or batu, and Hawaii has the reputation of being one of the leading drug centers for ice and crystal methamphetamine.

"In fact, I'm not proud to say this, but the fact of the matter is my community has a crystal methamphetamine problem, in my backyard. Many of my young people are testing dirty with crystal meth, with heroin, with cocaine, and it's a big deal for us. So when a young parent comes up to me and says, Mr. Oshiro, can you help get my son and daughter into treatment, I say, I hope we can. I hope we can find enough beds. It's a big deal for me.

"I'll read, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in violation of this chapter. That's dealing with the ingestion of these materials, whether it's ice, or whether it's smoke.

"Now, I heard my good friend from the island of Hawaii, Puna, talk about rolling papers and a joint. Zig Zag rolling papers, Big Bambu rolling papers, a dime-sized bag of marijuana. I'm not worried about that, Mr. Speaker. I'm not worried about somebody pulling up a corn cob pipe, lighting up, taking a few hits out of their bong pipe. Not a big deal. I don't think they should be penalized for that. Taking a couple of hits off a doobie should not get you in jail.

"But we're not talking about that here. I think the problem we're facing is if someone pulls out a batu pipe, or an ice pipe, and starts smoking away, that's a big difference from someone pulling out a joint. I'd rather have a guy next door to me having a few tokes now and then, than having a guy hitting off a batu pipe. I don't know if you have that problem in Kalihi, Mr. Speaker, but where I come from, it's a big deal. And both the law enforcement at ground zero understand the difference between rolling a joint, smoking a joint, burning a pipe, smoking ice, batu.

"I hope next year we can look back at this law and try and narrow it down so we can address the injustice of incarcerating someone, hurting their lives, maybe destroying their lives, for merely possessing some rolling paper, a roach clip, some doobies. Let's deal with the problem we're facing. But as currently drafted, it may have the unintended consequence of letting others who are promoting, using, distributing, selling, pushing, pushing in our community, dangerous drugs. And that's my objection, Mr. Speaker. Thank you."

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

"Mr. Speaker, in opposition. Mr. Speaker, opposition for three reasons, three reasons only. First, it promotes the drug culture. Mr. Speaker, if you look at what's going on in America, and even just down the street here, we are inundated with drugs. We don't need to promote the drug culture.

"Number two, this is a slap on the wrist for doing a very, very serious offense. If you look at what some of the drugs that are coming through on

the Mexican border, huge amounts of things, which now is confused with the opioids, because one leads to the other. So a drug culture, a slap on the wrist.

"And lastly and most importantly, are we preparing for recreational marijuana? Is this part of the slippery slope to let it go where anything goes and this is just another way to say, hey, light up and get high and everything is okay? Mr. Speaker, that's not the path of a hard-working America that needs to lift up itself from its bootstraps to really make a difference in the world. And the responsibility is lessened each time we promote the drug culture, of which this bill will do. Thank you."

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

"Mr. Speaker, in support. Mr. Speaker, the only real question today is whether we continue to punish a possession of drug paraphernalia as a Class C felony, punishable by up to five years in prison and a \$10,000 fine.

"Right now, there are 150 inmates serving prison time in our correctional facilities, hard time. These are non-violent drug offenders who are serving time alongside violent offenders, violent predators, and in the time, in the years that they spend in prison, they will, in all probability, learn behavior from these fellow inmates. And perhaps when they are discharged from prison, they will commit crimes beyond those that hurt themselves, but perhaps others.

"The real question is whether we promote public safety by using our very limited prison space to incarcerate these non-violent drug offenders, or save space, as the Representative from Puna expressed, save space for the hardcore, violent criminals, who truly belong in prison. I ask my colleagues to support this bill, because it is not only the reasonable step to take, but also because it's the right thing to do. Thank you."

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

"Thank you, Mr. Speaker. In strong support. It's about time we had this bill. When I was Chair of Public Safety and I worked with the senator, when we went and visited the prisons we realized how much we filled our prisons up with people who have drug problems, who had taken drugs. Those places should be for violent criminals and people that harmed people. A lot of people that are on drugs are addicted to drugs.

"The thing I always want to say to people when I have talked to them in large audiences is, we are a drug-taking society. We have so many people addicted to opioids, and if they can't get their opioids because we really crack down on doctors and pharmacists and tell them that we've got to protect from the opioid abuse, what happens? They go out and try to get heroin, or they get illegal street drugs. So the reality is, where we really should put our money is, trying to get people off drugs and also have these substance abuse programs.

"So it really hurt me to see young people, especially in their young twenties, get caught with marijuana or some other street drugs and get thrown in jail for two to four years, and here they were young people with babies and a wife and kids, or a girlfriend, and their mom and dad, and the shame it brought upon the whole family, and it's like you just threw this whole family into this horrible place, and how do they recover? How do they get back into society where they're not criminals?

"And the other thing is, they have a criminal record. So how do we get them employed? So they make a mistake because they're taking drugs, and maybe they took drugs, maybe they didn't even get hooked on drugs until they went to a rave party or something, and someone said, hey, try this, it's a lot of fun, and who would have known that they were going to get addicted to it? So the thing is, we punish people that maybe out of no fault of their own didn't realize they had an addictive personality and they got stuck on these drugs.

"But the reality is, it becomes a lifetime punishment, it's not just throwing them in jail for a short time. It ends up potentially changing their whole life forever. So for that reason, I do not believe it should be a felony the way we have it today, and it's time to change it. Thank you."

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

Representative Tupola rose to respond, stating:

"Thank you, Mr. Speaker. So I'll just reiterate, the Department of Public Safety took no position on this, because it has no impact on the prison population. Now, if we were so concerned about people getting help because they're on drugs, by creating this into a violation, they will not get help. They will not be put into a program, they will not get the option of being able to be ordered that by a judge, because it's now a violation.

"So if we are concerned about that, that people who have this issue get the help and the programs and the resources that they need, then, in the way that this is written, it will not help that. Because by having it actually be some type of crime where they have to go to circuit court and handle their case, then they can get ordered by the judge to get the help that they need. But by having it be a violation, get slapped on the wrist, you get a couple hundred dollars you've got to pay, then you're back doing it again.

"So, again, I hear the concerns of what everyone's saying. If this was an issue about the population, it is said by PSD that it will not affect that. If this is an issue where more people need services, support, programs to help them out of this, this does not help that. And that's where I stand. Not because we don't need people to get help, because, trust, everybody needs help, people need to get on programs, but we need to understand from the level of where law and how law is prosecuted, that we do it in a way that people will get the programs and support that they need. Thank you."

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

"Strong support. First, I'd like the words of the Chair of Public Safety entered into the Journal as if they were my own. And I'd just like to add that, you sure as heck don't help people by turning them into a felon for the rest of their life. Thank you," and the Chair "so ordered." (By reference only.)

Representative Takayama rose to respond, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I just want to note that some opponents have contended that we're actually helping drug offenders by charging them with a Class C felony, because this enables us to send them to drug treatment programs.

"By extension of that logic, we should make public drunkenness a felony instead of a misdemeanor, because then we could sentence alcohol abusers to rehabilitation centers, and because alcohol abuse causes far more deaths than drug abuse. Thank you, Mr. Speaker."

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. 1501, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRUG PARAPHERNALIA," passed Final Reading by a vote of 42 ayes to 9 noes, with Representatives Aquino, Cullen, Say and Yamane voting aye with reservations, and with Representatives Choy, Har, Kong, Matsumoto, McDermott, Ohno, Oshiro, Tupola and Ward voting no.

Conf. Com. Rep. No. 12 and S.B. No. 773, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 773, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you. I am in support, Mr. Speaker. And we're now talking about something that is not a drug, and what we're talking about is industrial hemp. I'd like to give special thanks to the Chair of Agriculture and to the Chair of Finance for getting this moving forward.

"We're going to be able to do wide-scale commercial cultivation without roadblocks, and it's a wonderful day, and I have some hemp seed cookies if you're interested, and I also would like to ask for remarks into the Journal. Thank you."

Representative Thielen's written remarks are as follows:

"For cars, researchers are using hemp to replace plastic and metal components. It is a green solution that can replace petroleum-based plastics and fibers. Mercedes, BMW and Audi Volkswagen are leading the way in using plant fibers in their models. Hemp fibers have higher strength-to-weight ratios than steel.

"Henry Ford's first Model-T was built to run on hemp gas and the car's panels were made entirely of hemp. Car panels made of hemp are 10 times more dent-resistant than steel. Unlike steel, the panels bounce back into shape after impact. Cars made of renewable-resource hemp could reduce rusting and a carbon footprint. It can simply be buried at its life end and then consumed naturally by bacteria. An Indiana tech company makes hemp car door liners in partnership with a German plant. Ford Auto & airplane manufacturers use similar products. A Florida-based company produces custom-ordered cars with hemp body panels combined with synthetic resin.

"Hemp is better than graphene, which is the basic element in charcoal and graphite. Hemp fibers help create a hemp-based battery that costs significantly less than other traditional methods.

"When it comes to nuclear disasters, hemp plants are continuously used to decontaminate the soil at Chernobyl, site of the world's worst nuclear catastrophe. Called phytoremediation, hemp's roots absorb poisons, pesticides and metals from the dirt.

"Hemp has the same mechanical properties as glass. It is even lighter than glass, which boosts fuel efficiency.

"California-based Treatibles is vet-approved, makes hemp wellness chews for animals. Organic, non-GMO, gluten-free. Can't get any animal high. Can be taken for a lifetime. It benefits animals like dogs that suffer from a broad range of illnesses including anxiety, epileptic seizures, mobility issues, tumors and ulcers. The cannabinoids in hemp attach to receptors present in animals' brains. Works in 5 to 60 minutes."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 773, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 17 and S.B. No. 984, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 984, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION PHYSICIAN," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Har voting no.

Conf. Com. Rep. No. 20 and H.B. No. 89, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 89, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 23 and H.B. No. 1246, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1246, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ALTERNATIVES TO INCARCERATION," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Har, McDermott and Tupola voting no.

Conf. Com. Rep. No. 26 and H.B. No. 1130, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1130, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT PRACTICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 31 and H.B. No. 606, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 606, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTY ACCESS TO PRIVATE PROPERTY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 33 and H.B. No. 1135, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1135, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 34 and H.B. No. 2, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 2, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'm rising to speak against the tiny homes measure. I know people from the Big Island are really anxious to see this go forward, and the bill is very cleverly crafted to just be for the Big Island.

"My concern is that there are some platforms out there that have no scruples. And it's like Airbnb, and what they do, they've listed beach tents, vehicles parked at county state parks, tool sheds, dedicated affordable housing, and anything that they can list to make a buck at the expense of our communities.

"So I'm afraid that these tiny homes are going to fall prey to Airbnb. I know that the Big Island is going to say, wait a minute, it's up to the county to control. But let me just tell you, on the island of Oahu, the Department of Planning and Permitting is totally ineffective at cracking down on the illegal rentals. I would hope Big Island could do a better job, but it may not be possible, and from the experience from here, it's been abysmal. So I think this is not a good idea to go ahead with, and with all due respect to our Majority Floor Leader. Thank you."

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

"Mr. Speaker, in opposition. This bill relates only to the Big Island, or Hawaii Island, and after speaking with the Planning Department, they are against this bill. It creates for them a number of problems in terms of enforcement and land use. And so with that I am against the bill. Thank you."

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

"Mr. Speaker, thank you. In opposition. Mr. Speaker, I have some serious concerns about this bill. While this bill has good intentions, there are many points of concern that need to fully be addressed. My top concern is enforcement. Who is responsible for enforcing all of these provisions to

keep these tiny homes on ag lands regulated, with all due respect to the Big Island?

"The bill states that tiny homes shall be occupied only by farmworkers or their immediate family members on farms that have obtained a business license and are currently engaged in agriculture production. So for a \$20 GET license, I can build a tiny home on ag land. Does the business license need to be for an agricultural business? This is not clearly stated in the bill. And who will enforce that the only occupants will be farmworkers and their families? Is there oversight to make sure these tiny homes don't end up on the Airbnb?

"The counties and states are having enough trouble regulating these vacation rentals, and how can they regulate and enforce these tiny home provisions? The bill also does not limit the number of tiny homes, and actually allows for clusters. How many homes make up a cluster? And is there a ratio to the size of the property and the number of tiny homes?

"Mr. Speaker, this bill also states that all tiny homes shall be removed from a property when the property is no longer in agricultural use. Again, who will enforce this? And what about the farmers who rotate their crops on their fields? Can the tiny homes stay if the field property is fallow? Or can all of these clusters or tiny homes take over a fallow field as long as they are on the ag property?

"Mind you, buffer zones are clearly something we should be looking at, whether it be dust, whether it be pesticides. Right now I have given up portions of my own lot as a farmer, and many of those, and not be compensated for the land leases and expenses and water usage that we currently face, and encroachment of others. If there are to be those tiny homes, those tiny homes should be contained on the residential areas where actual productivity is taking place.

"Right now, we are having problems with people not related to agriculture living on ag property and then complaining about ag activities. What about food safety? And where will the disposal of human waste go?

"Mr. Speaker, I worry that allowing these tiny homes will just be a stepping stone to other non-agriculture activities on ag lands. At a time when the Governor has asked us to double food production, should we allow further non-agricultural uses on ag land?

"We need the proper enforcement mechanisms in place before something like this should be allowed. What is the rush? This could be a workable idea, but needs to be done properly. If not, I fear that we will have tiny Airbnb units, and not the much-needed ag production that we so look forward to.

"We need enforcement details in clear before we put this into action. We cannot take a wait-and-see approach to this. I'm afraid if we open the flood gates, we cannot close it. Our ag land is too important, and we need to focus on food production, not be distracted by the uncertainties that these tiny homes can bring. For those reasons, I am in opposition, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. In support. I really appreciate the discussion, but I want everyone to know that for many, many years, the farmers on the Big Island, because in my district in particular it's predominantly agriculture, but the Big Island is predominantly agriculture. And the farmers themselves have brought to our attention that they need housing for farmworkers.

"On the Big Island, when you talk about wages for farmworkers, that is a challenge in itself, because normally they don't get even minimum wage. I don't know why we haven't passed a minimum wage bill for farmworkers. But normally what happens with farms is that you try to get your farmworkers there so that you can live on the land that you work on, and housing has been such a problem.

"So the farmers are the ones that came to me for many years, saying, how can we get farmworkers on the land? Because the law currently says, you can have employee housing on your farm, but the reality, it's not happening,

employee housing. So when we brought this farmworker piece of legislation together, what we realized is one of the concerns was, we have in our law, land use law, agricultural zone land use.

"And so the clarity of putting tiny homes is allowed in ag zones really will help streamline it, because currently, to do your employee housing, you have to go through lots of different types of variances and permits. We understood the home rule issue, and we understood the planning director just had some concerns on enforcement, but I want to clarify to everybody, this does not eliminate all of the safety, public health, bathrooms, all the things you have to do. This did not eliminate any of those needs for people to prove they're following the building codes and doing everything appropriately. We did not eliminate that.

"The other thing we did, because of home rule, is we added language that said the county council may adopt ordinances for the oversight of tiny homes, because that was tried to address the concerns from the previous speaker that in fact for enforcement reasons, the county council can step in and pass ordinances, and we felt that was really good because then there could really bring, if there's abuses, the county council can step in and address that. So we think we addressed all the different concerns, and the community overwhelmingly wants this bill. Thank you very much."

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

"Thank you, Mr. Speaker. I strongly support this bill. Now, we restricted this to the Big Island, because it is a big island, which means people have to travel long distances to work. Our bus system, half the buses aren't even functional, and they only run a few times a day. So when people want to work at a distant place, it's very difficult. But if they can live where they work, these tiny homes will help solve part of that problem.

"I had a friend who was taking classes at UH Hilo in agriculture, and he wanted to do an internship on a dairy farm, which was 120 miles from his home. Well, he had to live in a tent on that farm to do that, because he couldn't do a tiny home.

"Also, what hasn't come up is, some of these tiny homes, they can be mobile homes. They could be fixed or they can be mobile. So, much of the labor on the Big Island moves from season to season, from one place to the other. So this will provide for that transient labor force, and gives them decent housing.

"Another large group of people who work and make some of these organic farms useful is the WWOOFers. They come over here and stay for a month to six months or even longer, but they often have to live in a plastic house from Home Depot or someplace like that, because there's no housing on these places where they work. And these tiny homes will provide that decent housing. They aren't mansions, they're less than 500 square feet, and in most cases will be much smaller than that, but they will provide decent housing for decent workers, and they'll provide housing in most cases without any cost. Thank you, Mr. Speaker."

Representative Har rose in opposition to the measure and asked that the remarks of Representatives Onishi and DeCoite 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. 2, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 41 ayes to 10 noes, with Representatives Choy, DeCoite, Har, LoPresti, McKelvey, Onishi, Oshiro, Thielen, Tokioka and Tupola voting no.

Conf. Com. Rep. No. 36 and H.B. No. 916, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 916, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In support. I just wanted to thank the committee chairs for passing this. But it's a really good bill, and I've been following it because it directly impacts our community. It's helped quite a few pediatricians start work at Waianae Coast Comprehensive Health Center.

"So the loan repayment program already had a grant, but what this did was it gave them enough money so they could get matching federal funds. And so where we need it most is in rural areas. That's where we need doctors. So what does this do? This addresses the need by getting a loan repayment to people who actually choose to work in these rural areas. So it helps to pay off their medical loans that they took from going to med school.

"So I just want to read the hospitals and community centers that benefited from this. Waianae Coast Comprehensive, Maui Community Correctional Center, Kau Hospital Rural Health Clinic, Halawa Correctional Facility, Queen Emma Clinics, Kalihi-Palama Health Center, West Hawaii Community Health Center in Waikoloa, Molokai Community Health Center, Kookua Kalihi Valley Health Center.

"So all of these different health centers that needed it, they eventually got people put in the right positions and got their loans paid off thanks to this program. And so I think it's done a lot of good, and I hope that we can do more of this, so that we can increase the amount of physicians that we desperately need for a lot of our rural and community health centers."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 916, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LOAN REPAYMENT FOR HEALTH CARE PROFESSIONALS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 37 and H.B. No. 558, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 558, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF SECTION 325-15, HAWAII REVISED STATUTES," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Har, Ito, Kong, Say and Tokioka voting no.

Conf. Com. Rep. No. 41 and S.B. No. 895, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 895, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"With reservations. First, I want to thank the chairs and the conference committee chairs who looked at this, and I've been assured that it's not going to affect people doing hiking and camping recreational access to nature.

"But I do have reservations that I feel, I must say, and it really has to do with one of King Kamehameha's first laws, the Law of the Splintered Paddle, which is so important, it appears in Article IX, Section 10 of the State Constitution. It appears as a symbol of crossed paddles in the center of the Honolulu Police Department badge. And also is considered an unofficial symbol of the Richardson School of Law at University of Hawaii. It reads, quote, 'let every elderly person, woman and child lie by the roadside in safety.'

"This measure criminalizes the location of where someone is homeless. It adds criminal charges to an already vulnerable human being in extremely difficult situations, and it keeps them at odds with overcoming their misfortune. I understand the intent. We do have to do something. But I'm torn about supporting it straight up, with these concerns. So I have to express my reservations. Thank you."

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

"Thank you. In opposition, Mr. Speaker. I would like to incorporate the words of the previous speaker as if they were my own," and the Chair "so ordered." (By reference only.)

Representative Tupola continued, stating:

"I think my concern with this is, as well, I understand the intent of it. But I think that we're getting better and better at the State and city, of telling everyone where they can't go. Don't go here, don't go there, put a fence here, put a fence. We need to get better at telling them where to go, making more affordable housing, making more areas where they can live in, and helping people get from that humungous gap from homeless all the way up to what we call affordable housing.

"And so I bring that up because two of the things that came up when we first discussed this bill, because this is not the first time we've discussed this, it was protests going on at Mauna Kea, and the second thing was homelessness. And so we're talking about issues that we do need to handle, that are definitely looming and still going to happen in society, but I think that we should handle it in a way that gives options, and helps people to find places to go, if that's the case.

"But I do understand, again, the intent of trying to do this, but, again, we talk about the overcrowding in prisons and that we shouldn't be putting people in jail for non-violent crimes. This is very similar to what we just discussed. Thank you, Mr. Speaker."

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

Representative Gates 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. 895, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL TRESPASS," passed Final Reading by a vote of 44 ayes to 7 noes, with Representatives Gates, LoPresti and Tokioka voting aye with reservations, and with Representatives DeCoite, Ing, Lowen, McKelvey, San Buenaventura, Thielen and Tupola voting no.

At 2:47 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 514, SD 1, HD 1, CD 1
 S.B. No. 609, HD 1, CD 1
 H.B. No. 1501, HD 2, SD 1, CD 1
 S.B. No. 773, SD 2, HD 1, CD 1
 S.B. No. 984, HD 1, CD 1
 H.B. No. 89, HD 1, SD 1, CD 1
 H.B. No. 1246, HD 2, SD 2, CD 1
 H.B. No. 1130, HD 1, SD 1, CD 1
 H.B. No. 606, HD 2, SD 2, CD 1
 H.B. No. 1135, HD 1, SD 2, CD 1
 H.B. No. 2, HD 2, SD 1, CD 1
 H.B. No. 916, HD 1, SD 2, CD 1
 H.B. No. 558, HD 1, SD 1, CD 1
 S.B. No. 895, SD 1, HD 2, CD 1

At 2:47 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:51 o'clock p.m., with Speaker Souki presiding.

Conf. Com. Rep. No. 42 and S.B. No. 119, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 119, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

PAYMENT OF RENT," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 43 and S.B. No. 611, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 611, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIRE SPRINKLERS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Matsumoto and Ward voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 45 and S.B. No. 786, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 786, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 47 and S.B. No. 513, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 513, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACEPTIVE SUPPLIES," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Cachola, Choy, Kong, McDermott and Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 48 and S.B. No. 505, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 505, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Cachola and McDermott voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 51 and H.B. No. 1098, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1098, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMELESS SHELTERS," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 52 and H.B. No. 674, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 674, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise in opposition to Conference Committee Report Number 52, H.B. No. 674, HD 2, SD 2, CD 1. Mr. Speaker, first off, before I get started on my concerns with this measure, I want to thank the Chair of Human Services. As a first-time member on this committee, it's been a real privilege watching her, someone who has such a big heart, and that's why it's very, it's hard for me to have to stand up against this measure, because I know how well-intended she is, as well as this measure.

"But that said, Mr. Speaker, the purpose of this measure is to require all child care providers to obtain and maintain liability insurance as a condition of licensure, temporary permission, or registration to operate a child care facility, and to disclose certain liability insurance coverage information to parents or guardians applying to have their child cared for at the facility.

"I think what's so notable about this measure is that it was, the conference draft said that this measure should be known as the Wiley Kaikou Muir Act, named after Cynthia King, who was one of the passionate mothers who testified so passionately on this measure, as a result of her child dying in a

daycare center. And that's why I think it's very hard for me to stand in opposition, but I want to be very clear on what my opposition is.

"This bill is very reminiscent of a measure that we passed in 2016 regarding homeless shelters. It was a very well-intended bill. The intent was laudable. We were trying to ensure that our homeless shelters had certain prerequisites to ensure that our homeless were living in acceptable conditions. Unfortunately, the unintended consequences were we started seeing our homeless shelters shut down. Notably, one of our big shelters in Waipahu had to shut down, because they were not able to comply with the new state law.

"That's my biggest fear with this bill, Mr. Speaker. I think that what's going to happen is, you're requiring all of these child care centers now to obtain liability insurance, and while I don't have an issue with that, the fact of the matter is, I think there is going to be that unintended consequence where you're now going to have these centers, these child care centers having to close down because they cannot afford the liability insurance.

"To be sure, the Department of Human Services said in their testimony on House Bill 674 that if this measure is passed, and depending on the cost of insurance coverage, may result in the significant unintended consequences, number one, the statewide reduction of available registered family child care homes and licensed group child care homes, as home-based providers would be disproportionately impacted by the passage of this bill, and these small home-based businesses may not be able to afford the costs of liability insurance. Number two, the cost of child care may likely rise, as cost of providing services rise and the numbers of providers decreases. And number three, lower income families may be disproportionately impacted as they would be priced out of licensed child care. Low-income families may then have no choice but to use less expensive, unregulated child care options.

"Mr. Speaker, again, I think the intent of this measure is laudable. I want to thank the Human Services Chair. It was a difficult hearing. Ms. King, her son was a victim at a child care center, unfortunately passed away, and I understand the need for this bill. But again, we have to be very wary of unintended consequences, similar to the homeless measure that we passed in 2016 which the Governor sent a similar measure this year to fix many of those issues.

"I'm very concerned about the closure, of the unintended consequences that may lead to closures of our child care facilities. Given the fact that West Oahu has one of the highest populations of young children, the last thing we need to be doing is closing down child care facilities because of unintended consequences. So for these reasons, Mr. Speaker, respectfully and unfortunately I must vote no. Thank you."

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

"Thank you, Mr. Speaker. With reservations. I want to thank the previous speaker for her work on this. When we sat through the Human Services Committee, it was heart-wrenching to hear this mother testify over and over again about what happened to her and what happened to her child. And I feel for her. It would probably gouge my heart to have to talk about it over and over again, but I think she did it because she was very concerned.

"But, for the same reasons as the previous speaker, there are reservations about how we go about implementing this and making sure that both sides of the issue are addressed without affecting the amount of people, as you know in West Oahu, the amount of people that work multiple jobs and need daycare centers open and that are affordable to them. 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. 674, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE PROVIDERS," passed Final Reading by a vote of 47 ayes to 3 noes, with Representative Tupola voting aye with reservations, with Representatives Har, Kong and Oshiro voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 53 and H.B. No. 1396, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1396, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise in support of House Bill 1396. Mr. Speaker, today the House of Representatives will have the opportunity to pass this bill and address a current lawsuit in federal court.

"Mr. Speaker, there's an urgency to pass House Bill 1396, and the bill represents a fundamental principle that displays the spirit of *aloha*. That we care for our *kūpuna*, our disabled, our married couples, our couples in civil unions. This is about *'ohana*.

"Mr. Speaker, this bill also relates to the Medicaid fund. The Hawaii state budget relies heavily on federal Medicaid funding. In fact, Medicaid funding represents the single largest source of federal funding to the State of Hawaii. In 2015, it displayed \$1.3 billion in federal funding. This is 54% of all federal funding that we get. This relates to this bill.

"I got an attorney general letter, which Douglas Chin signed, I'll provide the salient points. The letter provides, 'there's a lawsuit pending in federal court, which involves a married couple that is trying to live together in a community care foster family home,' it's a Medicaid home, CCFH for short, 'even though they are not Medicaid recipients. We believe if HB 1396 passes then it would resolve the legal issue in the Kawamoto case and allow the Kawamotos to live together in a CCFH permanently.'

"The letter goes on to say, and just so everyone knows date and time, the letter was dated March 24, 2017. They knew it was probably going to go to conference. So in the letter the attorney general continues and provides, 'it is possible that if plaintiffs succeed in their lawsuit the federal court could strike down HRS Section 321-481 as unconstitutional.' This would affect 1,300 community care foster family homes in our state, devastating to over thousands of our elderly and disabled.

"Mr. Speaker, I also wanted to explain what the bill does, and I'll be as concise as possible. First, the bill allows a private-pay to be in a CCFH. Why is that? These homes are made for Medicaid clients. We have 340,000 residents in the State of Hawaii that have Medicaid. Generally they're in a lower income bracket. We need to protect these people. These Medicaid homes are specifically made for that population. That's why this goal has been so complex, and I applaud the lawmakers who crafted this. This was not easy. It was quite complex.

"Working with the Department of Health, the Attorney General's Office and the Department of Human Services, they crafted the language that will allow two private-pay, if certain conditions are met. And why do they want to do this? We don't want to lose our federal Medicaid funding. We don't want to lose over \$1 billion every year from the feds. They're going to allow two private-pay, if certain conditions exist.

"So the attorney generals and the Chair of Human Services who is just doggedly supporting this goal, she was a champion of this bill, they crafted this language. So first of all, the two private-pay need to be either married or in a civil union. Second, the CCFH, the Medicaid home, has to be certified for at least three beds. Third, you cannot kick out a Medicaid recipient or a private-pay. You can't bounce someone out to get that married couple in there, you just can't do that. These are reasonable. These are reasonable fixes in the bill.

"Fourth, well I already said this, the two private-pay need to either be married or in a civil union. We get that. Finally, the couple, the two private-pay, if they're trying to get into this Medicaid home, the area that they're trying to get, it could be Windward area, it could be Kalihi, there cannot be any other medical facility or healthcare facility that could take them, because if they could, they wouldn't need to go into this Medicaid home. This is a good bill."

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

Representative Mizuno continued, stating:

"Thank you, Speaker Emeritus. This is a good bill. This was crafted again by, if I can state their names too, Deputy Attorney General Angela Tokuda and Deputy Attorney General Joshua Wisch, they worked with your House Chair of Human Services, along with Department of Health and Department of Human Services. They did a great job, and I want to applaud the Judiciary Chair, Vice Chair, and Finance Chair, Vice Chair, and all their members. This was a very important bill.

"Finally, I would be remiss if I didn't quote Mr. Kawamoto, this is what he had said to me before. 'I defended my country in World War II and fought against discrimination, and won. And today I'm fighting for the right to live with my wife of 69 years.' Noboru Kawamoto. Mr. Kawamoto's wife, Elaine, said this statement. 'After World War II, I met Noboru, and we have never been apart until now.' That's Elaine Kawamoto.

"They're currently together, because there's a stay. It's still in court. I would have to surmise that the attorney generals, true to their word, will explain that the Legislature passed this, this is the fix. It is complex because we don't want to, compelling interest. Compelling interest says we don't want to lose \$1.3 billion in federal funding. We need to protect those Medicaid homes. I understand it. So I think the attorney generals did a great job, the Chair of Human Services was, like I said, a dogged champion for this. I applaud them.

"And finally I just want to tell the members, today the House of Representatives will have the opportunity to pass this bill and address a lawsuit in federal court. I humbly ask the members for their kind support on this bill. *Mahalo*, Mr. Speaker."

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

"In support. I just wanted to thank the Vice Speaker for his words and all his hard work. I have a community member, he's not my constituent, he's actually someone else's constituent, every week he calls me, twice a week, asking me about 1396. What's going on with 1396? Is 1396 going to get passed?

"I actually missed seeing the Kawamotos this year. For two years in a row, they came every year so that they could testify, and I don't know if they're getting up in age, but we missed them this year, let them know. But I'm grateful that this got passed. I'm grateful that I was able to be on the Human Services Committee, and I want to thank everyone for their work on this."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1396, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY CARE FOSTER FAMILY HOMES," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 56 and H.B. No. 279, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 279, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN CONTRIBUTIONS AND EXPENDITURES," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Choy voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 59 and H.B. No. 282, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 282, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 62 and S.B. No. 946, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 946, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE

AUTHORITY TO ADJUST PROFESSIONAL AND VOCATIONAL LICENSING FEES," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 63 and S.B. No. 951, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 951, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATION," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 64 and S.B. No. 100, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 100, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

At 3:07 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 119, SD 1, HD 1, CD 1
 S.B. No. 611, SD 1, HD 2, CD 1
 S.B. No. 786, SD 1, HD 1, CD 1
 S.B. No. 513, SD 1, HD 2, CD 1
 S.B. No. 505, SD 1, HD 2, CD 1
 H.B. No. 1098, HD 2, SD 1, CD 1
 H.B. No. 674, HD 2, SD 2, CD 1
 H.B. No. 1396, HD 2, SD 2, CD 1
 H.B. No. 279, HD 1, SD 1, CD 1
 H.B. No. 282, HD 1, SD 1, CD 1
 S.B. No. 946, SD 1, HD 1, CD 1
 S.B. No. 951, SD 2, HD 1, CD 1
 S.B. No. 100, SD 2, HD 1, CD 1

At 3:07 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:08 o'clock p.m., with Vice Speaker Mizuno presiding.

Conf. Com. Rep. No. 65 and S.B. No. 339, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 339, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION CHARGING," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 71 and H.B. No. 1258, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1258, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 72 and H.B. No. 727, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 727, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTORCYCLES," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Tupola and Ward voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 73 and H.B. No. 554, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 554, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, in strong support. Mr. Speaker, this is probably one of the kindest bills of this whole session. It allows those who cannot help themselves to be helped, and it's an increasingly difficult problem for those who get off their meds and they don't know they're off their meds, and it's increasingly getting to be a problem, not only in the mental hospitals but also in our prisons, on our streets. There was a homeless guy in the fourth floor bathroom earlier today shouting at the urinal and banging on the wall. Mr. Speaker, this is a growing concern, and I think this bill gives headway. In addition to that, I wish to insert comments in the Journal. Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support.

"This bill creates a procedure that allows state-run facilities, like the Hawaii State Hospital, to get sick people the treatment they need as efficiently as possible.

"Sometimes the mentally ill refuse to take psychiatric medication. It's unfortunate, but not uncommon. And in some cases, that makes them dangerous, to themselves or others.

"What happens now is that hospital staff have to go before a judge, in court, and prove certain factors before they can force that person to take their medication. They have to prove four things. First, that the person is mentally ill. Second, that the patient is a danger to themselves or others. Third, that the treatment is medically appropriate. And fourth, that the treatment is necessary.

"What this bill does is simply allow a panel of three qualified clinicians at the hospital to make those same findings, in order to then go ahead and treat the patient.

"The problem we have right now is the long wait time to get in front of a judge. On average, it takes 17 days to get a hearing. That's a very long time for a dangerously mentally ill person to sit untreated. They could harm themselves or others while they wait, so it's a very good thing to speed up this process, and that's what this bill does.

"In addition, this measure respects the rights of the mentally ill person. It allows them most of the same rights and procedures they would have in court. They get a hearing, they can have counsel, they can cross-examine witnesses, they can present evidence and testimony of their own... They can even appeal their case to the courts, if they want.

"Other states use a procedure like this, and it's about time Hawaii got ahead of the curve when it comes to helping the mentally ill. Government, in its proper role, is a servant of the people. We have a responsibility to help those who can't help themselves. That includes the patients in the State Mental Hospital.

"We fail to live up to our responsibility when we let mentally ill patients suffer for 17 days, only because our court system is backlogged.

"For those reasons, I strongly support this measure. Thank you, Mr. Speaker."

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

Representative Belatti's written remarks are as follows:

"I stand in support of House Bill 554, Conference Draft 1.

"Early treatment from those suffering with acute psychotic symptoms is critical to ensuring good long-term outcomes and a more complete recovery for patients. Starting treatment quickly also reduces the danger to other patients, staff, and the patients themselves.

"The current method to obtain an authorization to provide treatment over a patient's objection at the Hawaii State Hospital is by filing a motion for an order authorizing the involuntary administration of medication with the criminal court that has the patient's criminal case. The court having jurisdiction could be in any of the four circuits. According to the testimony of the Department of Health, it takes an average of almost 17 days for a person to receive a hearing, with the longest period being 50 days. This is clearly incompatible with the finding that patients should receive treatment in a timely fashion.

"By providing for a non-judicial, administrative mechanism to review and authorize requests for involuntary treatment within the setting of the Hawaii State Hospital, House Bill 554, Conference Draft 1 attempts to address this unacceptable delay, ensure prompt treatment, protect the patient's due process rights, and result in better outcomes for the patient. This administrative process is clearly needed to ensure patient health and safety and, by providing a seven-year sunset to this process, the Legislature, Department of Health, and patient advocates can study the efficacy of this process to ensure that patient outcomes are being met.

"For these reasons, Mr. Speaker, I support House Bill 554, Conference Draft 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 554, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ORDERS FOR TREATMENT OVER OBJECTION," passed Final Reading by a vote of 50 ayes, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 75 and H.B. No. 459, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 459, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives McDermott and Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 77 and S.B. No. 288, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 288, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SELF-SERVICE STORAGE FACILITIES," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Oshiro voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 82 and H.B. No. 1009, HD 3, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1009, HD 3, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LANDLORD TENANT CODE," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 88 and S.B. No. 953, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 953, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 94 and S.B. No. 545, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 545, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Can I request a potential conflict? My aunty is an organizer of this festival," 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 S.B. No. 545, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FESTIVAL OF PACIFIC ARTS," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 95 and S.B. No. 1244, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1244, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 96 and S.B. No. 423, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 423, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT MEALS," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Oshiro voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 97 and S.B. No. 1286, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1286, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"In opposition. There were a lot of different issues that were going on in this bill when we sat through the Finance Committee. A lot of programs were possibly going to get threatened. I just want to cover a few things.

"First off, the DOE already had been doing this licensing, and they said that it took them a couple hours sometimes after school was done in the summer months, and that it was going okay, and they said if they needed an appropriation that it might be around \$45,000 if there was going to be a position created. And this bill passed out \$60,000 plus \$100,000 into a special fund that hasn't been created for this, which I think is a little excessive for the amount of money that one, somebody was doing it for free before, and then the \$45,000 which was reasonable, but now it's I think way more than what they were asking and what we discussed.

"Secondly, we talked about the fees for these vocational schools. It was \$100, some of the application fees were \$50, and this is suggesting they take it up to \$2,000. So I think everywhere we're going with this bill, it was already, I think, needing a lot of work, and now with these different things coming out, with the fee being increased and with a huge position with a bunch of money going I don't know where, I don't know if this is actually where we want to go with the vocational schools, because the issue was that they said that in order to get accredited they need to be licensed, in order to get licensed they had to be accredited. That's the problem we were supposed to be solving. This does not solve that problem.

"So I'm going back to I guess what we should have done, which was address the issue. That, and the major concern was that stakeholders wanted to apply for grants, and that's why they needed to get accredited. That's where this all started. So we should go back to the reason why we had this discussion and figure out if we've solved the problem, because I feel like we've just complicated it, increased fees, and put a whole bunch of money into the DOE for a position that they possibly don't need. Thank you."

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

"Mr. Speaker, I stand in opposition to this measure. One of my friends owns one of these companies. It's how I became aware of it. He's owns a maritime licensing company, and he's going to have to pay that \$2,000 licensing fee out of his pocket. He's not going to be able to pass that on to his students, and barely makes enough money as it is now, and just like everything else, the school goes in cycles, sometimes good, sometimes bad.

"And to believe that the Department of Education is so overworked we had to add a position because they couldn't figure out one person in the entire department, of all those thousands of people they have working there, to handle this handful of schools annually, once a year. And the schools have to provide all the documentation, who certified them, the Department's not going to certify them, who certified them? So in the case of the maritime academy, it's the Coast Guard. And they're federally licensed. So they have to provide all this documentation, in good standing. And they, I guess, the new employee just merely checks it off and then mails them their license.

"This comes before us year after year. Out of all those people in the Department of Education, they couldn't spare one person part time to work on this? I just don't believe that. I don't believe that. And we're going to hurt some of these small schools. So it's a bad bill, I've been against it all along, and I'm still against it today. Thank you, sir."

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

"Mr. Speaker, I'm one of the whole caucus that's voting no on this, and I am in strong opposition. Believe it or not, in my former life I was a merchant seaman. Mr. Speaker, as the former speaker said, this is going to inconvenience all of these licensed artisans, the technicians, the merchant seamen, in fact they said they have to fly to the mainland now to get certified to increase their viability on the oceans.

"What is gained by this is just about zero, and except for some of the monies that you're going to be collected, which are extravagant. But overall, Mr. Speaker, this is more of a job killer, it's a job disincentive, it's something where we are meddling too close to the bone here and we're going to spoil the dinner the way we're doing this. Thank you."

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

"Mr. Speaker, just strong support with written comments. I would just like to set the record straight on some of the things that had been said here on the floor today. Thank you."

Representative Woodson's written remarks are as follows:

"In terms of licensing, this is completely out of the scope of the DOE's stated mission.

"The initial licensure fee of \$2,000 and renewal fee discussed are 1) an agreed upon price and 2) to fund licensing trade educational entities. The special fund is established so that when fees are collected, the Department can then retain or return the funding source. The additional full-time employment (FTE) is to help with the increased workload per the Department's request. Lastly, this has been an issue that has plagued the Legislature for at least five years, and the proposed legislation is a streamlined solution to license these trade institutions. For these reasons, I am in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1286, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRIVATE TRADE, VOCATIONAL, AND TECHNICAL SCHOOLS," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Matsumoto, McDermott, Thielen, Tupola and Ward voting no, and with Representative Ichiyama being excused.

At 3:17 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 339, SD 1, HD 1, CD 1

H.B. No. 1258, HD 2, SD 2, CD 1
H.B. No. 727, HD 1, SD 2, CD 1
H.B. No. 554, HD 1, SD 2, CD 1
H.B. No. 459, HD 1, SD 1, CD 1
S.B. No. 288, SD 2, HD 2, CD 1
H.B. No. 1009, HD 3, SD 1, CD 1
S.B. No. 953, SD 2, HD 1, CD 1
S.B. No. 545, SD 2, HD 1, CD 1
S.B. No. 1244, SD 2, HD 2, CD 1
S.B. No. 423, SD 1, HD 1, CD 1
S.B. No. 1286, SD 2, HD 2, CD 1

Conf. Com. Rep. No. 99 and S.B. No. 718, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 718, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In support. I think this is a great step forward. I can't wait to see it implemented to make sure that we give, I guess go out into the districts and really help people consolidate some of these issues that are probably more of the reasons why people are having different felonies and prison charges, because they have different things that they need to handle in one place. So I want to thank the introducer of the bill and definitely the Judiciary for coming up with this idea of doing community outreach courts. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 718, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMUNITY COURT OUTREACH PROJECT," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 101 and S.B. No. 559, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 559, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLIMATE CHANGE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative McDermott voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 106 and S.B. No. 908, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 908, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 108 and S.B. No. 469, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 469, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"In support. I just wanted to thank the conference committee on the work because the positions for the Girls Court was put back in, so the permanent positions were converted, as well as all the CIP projects for the much-needed repairs for all the courthouses that look like they're falling apart. So, thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 469, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 110 and S.B. No. 207, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 207, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYEES," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 116 and H.B. No. 451, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 451, HD 1, SD 2, CD 1 pass Final 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 Ward rose to speak in support of the measure, stating:

"Mr. Speaker, strong support. Mr. Speaker, this allows the Hawaiians who are born in a Hawaiian homestead to stay on the land because of the lowering of the quantum amount. I'm going to put my comments in the Journal, but I just want to footnote the fact that, after 96 years, it's about time we're coming around to making it easier for Hawaiian Homes to get the Hawaiians on the land. It was a promise to rehabilitate and return the land to the Hawaiians. We have not done that, and I know the budget that we spoke about earlier didn't reflect that. But there's still 27,000 on the waiting list.

"Some might argue that this is not going to take them off the list because it's going to keep the families that already have the homestead. But I would say, if there's the political will and the funds, we can put all of those 27,000 on the homelands if we're really determined. And after 100 years and we haven't done it yet, I think it's about time we do the right thing. Thank you, Mr. Speaker."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in strong support.

"Mr. Speaker, the Hawaiian people have seen how throughout generations they have been unable to keep their homesteads because their descendants did not 'qualify' or were not 'Hawaiian enough.'

"This bill seems to solve that problem by offering a solution and saying: if you have lived in this house, and so have your parents, grandparents, and many generations before you, your kids or grandkids should not lose that privilege that was earned by your predecessors many decades back.

"Let us not look at the percentage of 'Hawaiian-ness,' but at the fact that families will get evicted if we don't pass this bill. They will get 'punished' for not having enough concentration of Hawaiian blood despite the fact that they may be of some other Polynesian heritage (Samoan, Tongan, Fijian, etc.), who may have very well some of the original pan-Polynesian family that settled in the Hawaiian Islands.

"This will have no effect in new applications, but it will promote maintenance and upkeep of these residents, pride in ownership, and it will also avoid the painful consequences of an eviction.

"Thank you, Mr. Speaker."

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

"Reservations. That's just my long-standing concern, that this measure is the same as before. I believe it focuses on providing for those who already have property, arguably at the expense of those many thousands, 27,000, apparently, who are still waiting. Thank you."

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

"Mr. Speaker, in strong support. This measure was put forward to address the list. As it stands, most of those that have lost the blood quantum after 25% have chosen to sell their lands. Those lands have not been sold to the person at the top of the list.

"So while we try to address the issue of blood quantum, and to keep that land within that family or 'ohana, we then can focus at the top of the list instead of having people evade the list. And that is clearly what the measure does here. Thank you, Mr. Speaker."

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

"In strong support, and can I have the words of the previous speaker entered into the Journal as my own," and the Chair "so ordered." (By reference only.)

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

"Thank you very much, Mr. Speaker. Same request," and the Chair "so ordered." (By reference only.)

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

"Strong support. Just wanted to thank the introducer and all her hard work on this bill, as well as the department. And I'd also like to request that my words from third reading be inserted into the Journal again, they are my own. Thank you," and the Chair "so ordered." (By reference only.)

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

"Strong support. Permission to enter the words of the Representative from Molokai as if they were all 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. 451, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT," passed Final Reading by a vote of 50 ayes, with Representatives LoPresti and Thielen voting aye with reservations, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 118 and H.B. No. 471, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 471, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"I rise to speak in opposition. I'll be very brief, Mr. Speaker. Essentially what this bill will do would restrict the Legislature from making an appropriation from the emergency and budget reserve fund, the EBRF, the rainy day fund.

"Several points. By limiting the amount and the appropriation, it may be overly restrictive, especially when you have a budget emergency. The measure as applied could prohibit or limit the Legislature's authority to make appropriations from the emergency budget relief emergency reserve fund in situations such as a zero-growth budget, declining tax revenues, or limit the Legislature's options during an emergency, especially if there's a sharp economic downturn or unforeseen reduction in revenues.

"And I think back in 2008, when we entered into the greatest recession since the Great Depression, we were all unprepared for that. It came as a sudden shock to the entire global and national economy. Hawaii was not spared to any degree. And it was by the use of the emergency rainy day fund that we were able to shore up some of our essential core government services, health, human services, education.

"So I'm just a little concerned that this might overly restrict the Legislature. But of course any subsequent Legislature can un-restrict this particular measure. So, with that said, I'll be voting against this. 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. 471, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Oshiro voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 121 and H.B. No. 209, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 209, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I stand in opposition on this measure. This measure is your typical Robin Hood bill. This measure is supposed to take from the rich and give to the poor. This proposal is something that we all want to put into our campaign brochure. This is a bill that's supposed to define a person as a progressive, but unfortunately doesn't.

"This bill does steal from the rich, but it doesn't give back to the poor. This bill raises the highest income tax rates to 11%, making our state one of the highest income tax states in the nation, generating more than \$50 million. I think the results would be, there'll be a flight of residents moving to Las Vegas, or, for that matter, Washington State, Florida, Texas, or any other state with no state income taxes.

"After we take from the rich, we're supposed to give back to the poor, but we don't, because this bill has a nonrefundability provision for its earned income credit. This means the Hawaii earned income credit can only be used to offset a state tax liability. If this credit results in an excess of state taxes paid, it can be only carryforward to future years. This means the poor will not get a dollar in their pockets. Mr. Speaker, the poor cannot take an income tax credit carryforward, take it to Safeway, and pay for a can of Spam.

"Mr. Speaker, when I learned that this measure passed, I started reviewing clients with federal earned income tax credits, and applying this new proposed Hawaii earned income tax credit. Because of the nonrefundable portion, the only thing I could think of was to adjust a person's withholding or exemptions well beyond what is prudent to get some money back in their pockets.

"So here's an example. Single mother, one child, waitress, making \$28,056 a year. Federal EIC, \$1,785. New state EIC, \$357. That's \$14.87 per paycheck, \$29 a month, or \$1 a day. To get that, I would have to increase her exemptions by five, and as a practitioner, I know this is a very, very dangerous calculation. If I miscalculate her exemptions, or her situation changes during the year, she will have a state tax liability at the end of the year. And, you know guys, people who live paycheck to paycheck that have a state tax liability on April 15 is catastrophic.

"Further, Mr. Speaker, what if this waitress, my example, has four children and no income tax liability? The way the bill is written with no income tax liability, this waitress, four kids, will never get a Hawaii earned income tax credit, because of the nonrefundable clause.

"So why are we doing this? Because we say we can't afford a refundable credit. If affordability, Mr. Speaker, is a problem, then why are we giving special interest at Kapalama unlimited millions of dollars in income tax credits? Why are we giving the film industry over \$35 million in tax credits, if we can't afford an earned income tax credit for our poor?

"As I look in this measure, I guess the policy is, if you fly to Hawaii in a private jet, we give you money. If you can only afford a 1990 Toyota Corolla, you're out of luck. Mr. Speaker, we have to stop treating our less fortunate in Hawaii like this, and for these reasons, I stand in opposition. Thank you."

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

"Thank you, Mr. Speaker. In strong support. I'd like to thank the Representative from Manoa for that wonderful explanation. I'm not conversant in all those technical details, but what I can say about this bill is that it's far past time for our society to start addressing the income inequality that's plaguing us.

"If we continue on our current path and the wealth gap continues to widen, what's going to happen in about 15 or 20 years from now when we get hit by automation and the unemployment chronically climbs over 15% or 20%, is that those of us who have jobs, or those of us that have wealth, are going to have to live in gated communities with security guards and barbed wire, because if you fail to take care of the impoverished members of your society, and that group grows to become a large enough percentage of society, we will see chronic homelessness, crime. We're seeing the beginning waves of it now. And for those reasons, I'm in strong support. Thank you."

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

"Mr. Speaker, with reservations. Three reasons. Number one, it's a poorly written bill for the poor. It's rather amazing what the Representative from Manoa just read, shockingly, in fact, because we've waited, as one member in the audience said, for 40 years, this majority party has been trying to do this, and now it's got where it gives a dollar but it takes back fifty cents for its own coffers.

"If you look at the numbers in this particular bill, it shows that, of the \$25 million projected, the State actually ends up taking more than \$25 million for itself. And thirdly, Mr. Speaker, I wish his remarks to be entered in the Journal as my own, but without the same vote as he had. With reservations, Mr. Speaker," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, we often get criticized for failing, for not doing enough. Well, this is a measure where we do quite a bit. I have been here for 11 years. Each of those 11 years I have fought for and introduced a bill for the earned income tax credit. This is a bill that passes, that establishes a nonrefundable state earned income tax credit.

"But what the Representative from Manoa fails to note for us is that this is also linked to the federal earned income tax credit. So that very same waitress that that Representative from Manoa talks about would also qualify for a federal earned income tax credit, which is refundable. Which is refundable. So there will be money going back into the pockets of working families under this measure. Because they will have to take the federal income tax credit, they will have to help us draw about millions of dollars that members of our community are entitled to through the federal income tax program.

"The second thing I would note, Mr. Speaker, is that when you look at our tax rates, that waitress is being taxed state income tax. So she will get relief under this measure for her state income taxes.

"Mr. Speaker, I want to thank the introducer of this measure, the Chairwomen of the Finance and WAM Committees, because this really represents a huge step forward for working families in the State of Hawaii. Thank you."

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

"Thank you, Mr. Speaker. In support. Just very briefly, I think there's been good discussion about it already, but there are a few points that I'd also like to highlight.

"In rebuttal to the excellent tax preparer from Manoa, I certainly am not at his level of expertise, but what I will say is, for the member's edification, these very same tax brackets existed from 2009 to 2015. We certainly didn't see so much of a flight that it became such a problem, that it's incomprehensible to reestablish them. So it's a funding mechanism that's

already been tried. It's already existed, and the State managed to survive those six years. So it's at least reasonable to reconsider them.

"Furthermore, to attach them to something that is a direct nexus in terms of offsetting the working poor's burden, I think is very timely, very needed, and, as you can hear and see from many of the members, it's something that's long overdue.

"And much thanks to the Chair of Finance and to the Chair of Ways and Means for taking this first step. And I think that's the way we should also view this, as progress. It's a first step. All of us would probably like something that was a lot more generous, but I would rather have something rather than nothing, and for the entire time that I've been here, we've talked and talked about how much people have a hard time making a living here, how difficult it is for them to make ends meet. And yet, session after session, we manage not to do a whole lot.

"And so this is progress, this is a first step. And establishing it, whether it's perfect and ideal, is not necessarily I think anybody's intention. I think at this point we're all glad that we just have it established. For the first time, we have an earned income tax credit. Whether or not it's perfect, I think it's progress, and it's a start.

"So I do appreciate, again, the Chair of Finance and the Chair of Ways and Means for making this very generous first step toward really alleviating the burden that so many of our working poor face. And there's much more to do, definitely. I think the Representative from Manoa and I agree on that, and I will look forward to supporting his tax policies that work hard to reduce the burden of those most in need. Thank you."

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

"Thank you, Mr. Speaker. In strong support. I just want to echo many of the members' sentiments and thank the authors and the chairs along the way, and I'd like the words of the Chair of Health and the Chair of Labor entered into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. With reservations. I want to thank the Representative from Moanalua, because I know he worked really hard on this, and I appreciate his comments and all his back work on it, as well as the Representative from Manoa, who shared a lot with us today. But mixed together with both of their statements is where my concern lies. Thank you."

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

"Thank you, Mr. Speaker. I'll be standing in support, I just have some reservations. First of all, I think the policy of increasing the Hawaii income tax bracket back to what it was between 2009 and 2015 is appropriate. I just wish that all the monies that are raised from taxing the upper 3% or 5% of our citizens would all go to the beneficiaries, which should be the lower income residents, taxpayers.

"I believe the tax accountant from Manoa stated it, but let me be more blunt about it. I think as far as achieving a Robin Hood-type income redistribution, we only get halfway there. If I look at some of the Department of Taxation's expected revenues expenditures, I think the income tax would raise about \$50 million the first year.

"The EITC, because it's not a refundable tax credit, which in layman's terms means a check in the mail after you file your income tax, because it's not a refundable tax credit, it only is applied to your tax obligation, I think it's penciled in at about \$17 million. So although we generate about \$50 million, much of it does not go to the lower income folks through the earned income tax credit.

"I am also pointing out the fact that as it grows, the amount of the earned income tax credit, again, almost half will get to the lower income working families. Much of it will go into the general fund, which I have no problem

about it, but I think we need to be honest about the beneficiaries of this. Who pays and who actually benefits in the near term, short term.

"I would hope that next year we come back in here, we look at making it a refundable tax credit. Like the federal tax credit. Refundable. I think you'll get a lot more money into the pockets of working family taxpayers, which will circulate a lot quicker into the economy, buying groceries, paying off bills, putting aside some money for other activities. I think that would go a lot more to helping those families.

"I know that if this is carried through over several years, I believe that the credit itself ends in 2022. So I think there'll be a chance for us to review the policy that we set here today. But again, I really would hope that we had continued our initial desire to achieve a refundable tax credit. A check in the mail, cash in hand, versus a mere paper credit against a tax obligation. Thank you."

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

"Standing in support of this bill. There are many components that everyone's been talking about, but the one component that is very important to me is the regressivity of the general excise tax, and what this bill does is it repeals the sunset date for the refundable food excise tax credit. Establishing that state earned income tax credit at 20% of the federal earned income tax credit is also to me very important.

"I also would like to acknowledge the Representatives of Moanalua and Nuuanu who crafted the bill, and I really believe that people who are living in poverty can keep a little bit more of what they earn, and working families who struggle every day to make ends meet in Hawaii will benefit from this bill.

"And I appreciate the words of our Representative from Manoa, and I too believe that we should work toward a refundable tax credit in the future, but I believe this is a great first step. *Mahalo.*"

Representative Choy rose to respond, stating:

"Still in opposition, Mr. Speaker. Interestingly enough, the bill that I voted on in Finance, HB 209, HD 1, was a refundable EIC. This House voted for a refundable tax credit. I'd like to commend all of you for doing that, so I can just say that the people who screwed it up was, no, I won't say that."

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

"Thank you, Mr. Speaker. In support. I would like the words of the good speaker from Kauai entered into the record as if they were my own. And also the last snippet from the second comments made by the good gentleman from Manoa as to where the train came off the rails, so to speak," and the Chair "so ordered." (By reference only.)

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 total opposition to HB 209, HD 1, SD 1, CD 1, Relating to Taxation. I would like to incorporate the words of the Representative from Manoa as if it was my own. 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. 209, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Oshiro, Tupola and Ward voting aye with reservations, with Representatives Choy, Har, Ito, Kong, Say and Tokioka voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 127 and H.B. No. 83, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 83, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Tupola 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 Tupola's written remarks are as follows:

"I support the Pu'uuhonua in Wai'anae and support all that Auntie Twinkles has done for the community. However, my concern is having a bill pass that is forming a 'working group' to talk about a solution. There are many key community players that have already made progress towards a solution and I would love to see the \$25,000 go towards a solution and not another talking group."

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

"Mr. Speaker, standing in support. With the shortage of low-cost and affordable housing statewide, and with the highest homeless per capita in the nation, I believe it's time that we look outside the box on how we house our homeless population moving forward.

"I believe this bill does that by creating a working group to seriously look at the feasibility of safe zones, and I ask that members please support this measure. *Mahalo.*"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 83, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMELESSNESS," passed Final Reading by a vote of 50 ayes, with Representative Tupola voting aye with reservations, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 133 and H.B. No. 571, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 571, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I ask for a ruling on a potential conflict. I currently serve on the UH Sea Grant advisory board, and receive no compensation. 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. 571, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 134 and H.B. No. 1114, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1114, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL SAFETY AND HEALTH PENALTIES," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 138 and H.B. No. 213, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 213, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY LEAVE," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Kong, Tupola and Ward voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 140 and H.B. No. 1475, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1475, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, as a farmer, I support locally grown Hawaii products. This is a bill again with good intentions, but no protections. If the intent of the bill is to help ensure public access to locally grown food and value-added products, then why did the provisions about local Hawaii products get taken out of this bill in conference committee?

"I support farmers' markets, and all of you know that. But this bill does not provide the protections and enforcement that is needed. Who is going to enforce that the produce that are only selling ag products grown in Hawaii? We have vendors at farmers' markets now that sell imported produce.

"Why do we think it will be different just because the farmers' market is on ag land? Especially since the bill only requires the operation to be registered in Hawaii, not headquartered or from here. This is a big loophole that defeats the intent of the measure.

"Department of Agriculture and Department of Health has already allowed for farm stands and retail activities in enclosed structures where value-added products can be sold. A retail food establishment owned and operated by a producer, given that the products are grown in Hawaii to be are operated in agriculture districts. So why do we need the farmers' markets and food hubs operated on ag land that don't have the same requirements in productions?

"This allows for visitors also to stay there, and it includes overnight accommodations up to 21 days. Mr. Speaker, if this is about access to food and sustainability, then we're going about it the wrong way. We should be focused on the food safety and supporting truly agriculture grown in Hawaii.

"This bill as written doesn't provide the protections and enforcement, and it does not support our local farmers, ranchers and value-added producers. This bill allows for outside interests to come in under the guise of agriculture to compete with our truly local agriculturalists. For that reason, Mr. Speaker, I'm in opposition. *Mahalo.*"

Representative Onishi rose in opposition to 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.)

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

"Mr. Speaker, opposition. First, may I have the words of the farmer Representative from Molokai as my very own" and the Chair "so ordered." (By reference only.)

Representative Oshiro continued, stating:

"I think her comments kind of pointed out the major, severe concerns about the bill. I think people should look at the bill. The relevant language is on page seven. A farmers' market, which is an outdoor market limited to producers selling agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii; and (E) A food hub, which is a facility that may contain a commercial kitchen and provides for the storage, processing, distribution, and sale of agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii.

"Again, it doesn't state any requirement that 100% of the ingredients put into that process or put into that product or value-added product had anything to do with Hawaii farmers or being grown on Hawaiian lands or Hawaii lands or any of these notions that you would think of supporting local farmers for local consumption, local folks. It creates the image of that,

but when you walk through the actual bill and what it does and doesn't do, there is no enforcement, there are no protections.

"And the reason why it's relevant for the people on Oahu is that we should know that we have spent over \$120 million over the past five years in buying land from David Murdock. David Murdock is the owner of Castle & Cooke, also known as Dole Foods. And the idea is that the Agribusiness Development Corporation may be exploring ways of creating different types of food hubs, of farmers' markets on agricultural lands, and indirectly this had opened the door for them to allow these types of business practices to take place on public lands, controlled by the Agribusiness Development Corporation.

"So I take the words and the insight of a true farmer from the island of Molokai, and when I apply that to what could happen in my own backyard, I'm concerned. I'm very concerned about what may happen under the Agribusiness Development Corporation and its operations out in the Wahiawa area. So for those reasons I will oppose this measure. Thank you."

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

"Thank you, Mr. Speaker. In support. Farmers' markets were actually allowed up until 2012 without restrictions or limitations on percentage of food grown in Hawaii. It was inadvertently taken out of bills by one of the senators who started to put the bills in about farm stands and retail farm outlets. And the language of this bill mirrors exactly the language in those other provisions, except it adds farmers' markets back in.

"Farmers' markets on an island like Hawaii are important, because the land, like the urban cores, are separated sometimes as much as 50 miles. So if you have a farmers' market, local farmers can get together and sell their produce, do value-added products which adds to the feasibility of there being farmers, and provides food to the local community.

"This is about community farming. This is about subsistence farming and local farming. My wife and I helped found a farmers' market in Naalehu. It was on commercial land and it became taken over by knick-knacks and stuff like that, instead of just selling local food.

"So this will provide a venue for real farmers, subsistence farmers, farmers who grow food for their families and for their communities, to share that food with their neighbors and their communities. Thank you."

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

Representative Tokioka rose and asked that the Clerk record a no vote 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. 1475, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives DeCoite, Har, Ito, Onishi, Say, Tokioka and Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 142 and H.B. No. 427, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 427, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, strong support. Two comments. One that I've said many times on this floor, darkness is a natural resource. The second point is that, as the leading astronomy place in the world, this is a very, very important bill. And other remarks I request to be put in the Journal. Thank you."

Representative Ward's written remarks are as follows:

"Darkness is a natural resource. We are in the best place on Earth to observe the night skies and should do everything possible to preserve that privilege. This measure can and will continue to serve as a vehicle for increased research and discovery."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 427, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DARK NIGHT SKIES PROTECTION," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

At 3:52 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 718, SD 1, HD 1, CD 1
 S.B. No. 559, SD 1, HD 2, CD 1
 S.B. No. 908, SD 1, HD 2, CD 1
 S.B. No. 469, SD 2, HD 1, CD 1
 S.B. No. 207, SD 2, HD 2, CD 1
 H.B. No. 451, HD 1, SD 2, CD 1
 H.B. No. 471, HD 1, SD 1, CD 1
 H.B. No. 209, HD 1, SD 1, CD 1
 H.B. No. 83, HD 1, SD 2, CD 1
 H.B. No. 571, HD 1, SD 1, CD 1
 H.B. No. 1114, HD 1, SD 2, CD 1
 H.B. No. 213, HD 1, SD 1, CD 1
 H.B. No. 1475, HD 2, SD 2, CD 1
 H.B. No. 427, HD 2, SD 1, CD 1

Representative Saiki rose, stating:

"Mr. Speaker, could we have a 10 minute recess?"

At 3:52 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 4:11 o'clock p.m.

At this time, the Chair stated:

"Members, we're on page 27, refer to Conference Committee Report Number 155."

Conf. Com. Rep. No. 155 and S.B. No. 1148, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee and S.B. No. 1148, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY DEVELOPMENT," were recommitted to the Committee on Conference, with Representatives DeCoite, Hashem, Ichiyama, Oshiro and Tokioka being excused.

Conf. Com. Rep. No. 145 and H.B. No. 375, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 375, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 148 and H.B. No. 508, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 508, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 149 and H.B. No. 632, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 632, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER INFRASTRUCTURE LOANS," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 151 and S.B. No. 917, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 917, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, ruling on a potential conflict of interest. My spouse is a public school teacher. Thank you," and the Chair ruled, "no conflict."

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

"Potential conflict. My father is a teacher. 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 S.B. No. 917, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 152 and S.B. No. 923, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 923, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Ruling on a potential conflict. My husband is a firefighter. 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 S.B. No. 923, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 154 and S.B. No. 1016, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1016, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations. Permission to enter my comments from third reading into the Journal. Thank you very much," 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 S.B. No. 1016, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 48 ayes to 2 noes, with Representative Tupola voting aye with reservations, with Representatives McKelvey and Thielen voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 156 and S.B. No. 501, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 501, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise in opposition. I understand this bill will allow women access to a wide spectrum of health services and information. However, I feel that this bill unfairly targets limited service pregnancy centers that do not charge for their services, by requiring them to post notice to clients. This notice seems benign on its face, however, as the bill is now written, most facilities will be exempt from requirements, limited pregnancy centers will not. Requiring faith-based pregnancy centers to post or provide a notice directing patients to state programs is a violation of free speech.

"Another serious problem with this bill is the language requirement. The notice must be provided to clients in English or another language requested by a client. The results of pregnancy tests must be provided immediately upon completion of the test, however, the same language requirement applies. Requiring limited service pregnancy centers to provide the notice and results in any language a patient requests places a substantial burden on these service providers that is not required of other entities.

"The Office of Language Access submitted comments stating this bill would greatly expand the reach of language access to private entities that are not required to provide interpreters or translation of documents under federal or state law. The current law only covers entities that take state or federal funds, which is not limited service pregnancy centers.

"If we pass this bill, the centers will be singled out as having to provide translation services above and beyond the intent of current federal and state law. And while I understand this bill will allow women to know where they can obtain a wide spectrum of reproductive health services, I have concerns with this bill, and I feel like it is a lawsuit waiting to happen. These are the reasons I stand in opposition to this bill."

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

"Mr. Speaker, I'd like the comments of the previous speaker to be entered into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

Representative McDermott continued, stating:

"I am in opposition. I'll be brief. This is just designed to put these Christian alternative centers out of business. 1992 Democratic National Convention, Bill Clinton said he wants abortion to be safe, legal and rare. Rare. Does this match that thought process? Rare? These centers do, but the ideology of this body is not. And so we want to put these guys out of business, and they will be out of business, unless of course they overturn this, because they're going to get sued and they won't be able to stay in business. So let's remember that as we vote for this today."

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

"Thank you, Mr. Speaker. I rise in opposition. Mr. Speaker, my concern stems from the definition of limited service pregnancy centers, which was added into the bill in the conference draft 1. It specifically states that a limited service pregnancy center means a facility that: (A) Advertises or solicits clients or patients with offers to provide prenatal sonography, pregnancy tests, or pregnancy options counseling; (B) Collects health information from clients or patients; and (C) Provides family planning or pregnancy-related services, including but not limited to obstetric ultrasound, obstetric sonogram, pregnancy testing, pregnancy diagnosis, reproductive health counseling, or prenatal care.

"I did send this conference draft 1 over to the American Society for Reproductive Medicine and they believe, I did receive an email this morning and obviously this was not a bill that they were tracking because they did

not think it was going to apply to them. And they are now telling me that this does now apply to reproductive facilities. And so they are claiming that this is very burdensome, they are very upset about this measure.

"So now, just a few weeks ago we had a floor presentation on recognizing our IVF facilities, helping parents who are trying to have children, and now you are going to require these reproductive endocrinologists to put up a sign in their offices regarding Hawaii has public programs that provide immediate free or low-cost access to comprehensive family planning services, including, but not limited to, all FDA-approved methods of contraception and pregnancy-related services for eligible women.

"Something here doesn't make sense, Mr. Speaker. The reproductive endocrinologists in the American Society for Reproductive Medicine was not a part of this bill. They fall under the definition of limited pregnancy center, and this is overly burdensome for them. It makes no sense that they would have to put up a sign for this given the fact that their job is to create life. So for these reasons, I'm in opposition. Thank you."

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

"Thank you, Mr. Speaker. In support, and I just want to note that while I think there is really good intent in some of the services and people especially who are involved in some of these operations, there are indeed unintended consequences. And while I think there is justification for the kind of education outreach a lot of people want to do and are intending to do, the unintended consequences far outweigh the positive impact that some of these centers may be having. Because those unintended consequences include direct medical threats to health and public safety. And it is not something that I think is intentional, but it is something that in practice we have heard from testifiers, from doctors, from OBGYNs, from other legitimate medical establishments that cleanup and follow-up and procedures and all sorts of corrective actions have been taken for people who have been given advice, in some cases perceivably medical advice that they have acted upon, which have caused all sorts of problems.

"I think there is something to be said for the fact that the public perception of what is being provided can be deceptive. That someone can approach a center like this seeking medical advice, expecting medical advice, and receiving what they believe to be medical advice, when in reality it may not actually be. Because of this, there is a question at hand whether these services may be defined as medical services, and if so, of course ought to be regulated as medical providers. That not being the case currently under our current law, we have an obligation, I believe, to ensure that we err on the side of public health and safety. To protect lives. To ensure people the best choices when they believe they are making decisions based upon their medical future.

"I think we don't need to wait for an incident to occur where someone gets advice they believe to be medical advice and ends up losing a child or their own life or any number of other complications. We know those statistics, those cases, are occurring today. We therefore have an obligation, I believe, to move forward. And I think this, for me personally, does not go far enough in making sure that we protect the health and safety and ensure transparency in operations, but I believe this is a good first step. Thank you very much."

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

"Mr. Speaker, in opposition. Mr. Speaker this is a very serious infringement on free speech, or forced speech, if you will. Forcing a Christian nonprofit organization to put in their window or put in the hands of their customers. Mr. Speaker, what's the logic of that?

"For those abortion mills that do those things. The point is, Mr. Speaker, the equivalent of this enforced speech is if this was a Muslim restaurant, and it has from this body, this government, to say, you must put in your front window, pork for sale at the accompanying restaurant down the street. That would be an outrage. It would be forced speech. To force a Muslim to sell pork or to advertise pork. Well, the equivalent of this is with the small nonprofit, hardly making enough money to stay in without a lot of volunteers and a lot of donations.

"And why we're going to push this in their face, Mr. Speaker, I think gives us just a bad reputation, a bad name, for not being fair and not being just. And for those who are pro-life this is a very meaningful bill. And for those who are on the other side where you are in one of those particular areas where you can do an abortion, there are plenty of services available.

"Mr. Speaker, I would challenge that people don't know the difference between this kind of an institution and the other kind. I think the people are not that naïve. For those reasons, Mr. Speaker, this, as one of my colleagues says, is really a lawsuit waiting to happen. Do we really want this bill to get into the courts and just tie us up even more, in terms of the culture wars and the social upheaval that it's going to cause? For those reasons, Mr. Speaker, this is a very bad policy."

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

"Thank you, Mr. Speaker. In opposition. I want to thank our Health Committee, because when we heard this bill we had a completely different discussion about some of these issues, about unintended consequences and making sure that this obligation that we have to make sure that everyone knows what's offered was actually justfully executed by this law.

"Now what I mean by that is that if it is where there are certain areas that people aren't saying what the full scope of services that are available here in Hawaii is happening, then we need to make sure that all areas give reference to these services that are available. That's the conversation we had. So our chair decided to make sure that this was a more broad-reaching bill that made all pregnancy services be able to disclose this so that it wasn't targeting one group or one type of pregnancy service center.

"And that's the discussion we had. Because if it is where more people need information about what's out there, then it should be broadly dispersed, all over the place, in any area that we think that people might be concerned or might be interested in where to get these services.

"But now we look at the conference draft and it reverted back to what it first said, which is where all the issue was, when it targets only one entity and says, you have to do this, you have to put this up, you have to do this because all of these other areas are exempted. That's the discussion that we're having right now. And that is the lawsuit that happened in other states in bills that had similar language.

"In the Fourth Circuit they struck the language down in that part of the bill. And in the Ninth Circuit the same bill that was proposed is now going to Supreme Court, and by May 20 we'll know where that bill stands. That's what the references are to this lawsuit. So it's not like an imaginary one, it's happening in other states because of bills that have passed with similar language.

"So I think what we're asking is that that be considered and that be understood that as we pass law that we make sure that it's constitutional law, and that if we do talk about measures that intend to give out information to the public, then we should put it in places where everybody can reach it. We make statewide policy. We don't make policy for one family, one business, one type of people. And so if we're talking about statewide policy, then that should reflect here. Thank you."

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

"Thank you, Mr. Speaker. In support. There are so many changes we're making in our laws because of modern technology. One of the things that's been happening with pregnancy is sonography and how often they're used. Obviously people are going into an office, like an ultrasound type of equipment. Also, it's saying here that this place collects health information. I don't know what religion, I don't know anything about that. All I know is we have these new entities popping up and it's our job as legislators to look at when you need to step up and regulate new ideas, new technologies, if in fact there needs to be regulations and oversight.

"I think it's appropriate that this bill was brought to us, because now these entities now exist. If we have people out there asking clients for their private healthcare information, we know there are privacy laws around that've been passed by the federal government on how you deal with health information.

Now we have someone dealing with an ultrasound and how they use that ultrasound and the safety of the mother, and if there is a child, the safety of the child. Also there is counseling, and when you're counseling people it's a health-related counseling.

"So I just think it's appropriate that we have this discussion. As again, who would have known we were talking, 10 years ago we weren't talking about this because technology hadn't reached the point that the sonography is becoming the common way you deal with people who think they may be pregnant. So I'm in strong support of it and hope we pass it out overwhelmingly. Thank you."

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

"Thank you, in strong support. We shouldn't have the fear of lawsuits prevent us from doing what is right, and this is what is right. If there are people or centers or organizations claiming to provide pregnancy services but are not providing information to the poor, then we should make them.

"This only requires, and it doesn't say abortion on it, it says, word for word, 'Hawaii has public programs that provide immediate free or low-cost access to comprehensive family planning services, including, but not limited to, all FDA-approved methods of contraception and pregnancy-related services for eligible women. To apply online for medical insurance coverage, that will cover the full range of family planning and prenatal care services, go to mybenefits.hawaii.gov.' Nowhere here does it say, have an abortion. It just says what Hawaii, the State of Hawaii, is offering.

"Employers right now are required by Department of Labor and by our own laws to post, in bigger signs than this, this is only 8.5 x 11, in bigger signs than this, all employee rights. For organizations or associations or anything claiming to offer pregnancy services, this is a limited requirement, and it's the right thing to do. Thank you."

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

"In strong support. I'd like to adopt the words of the previous speaker," and the Chair "so ordered." (By reference only.)

Representative Belatti continued, stating:

"I want to emphasize, this bill is about information. The providing of information that can connect women to important prenatal care services that could be invaluable to maintaining a pregnancy. This bill is also about the protection of information, and that's gotten lost in some of the conversation. Protection of women's private health information that is not protected in these unlicensed centers. So Mr. Speaker, in strong support."

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

"Thank you, Mr. Speaker. Strong support. I ask only that the words of the Representative from Waimanalo, the Representative from Puna, and the Health Chair be entered in the record as if they were my own. This is a truth in advertising bill, that's all," and the Chair "so ordered." (By reference only.)

Representative Ward rose to respond, stating:

"Mr. Speaker, in continued opposition, just two points. One is that we are fast to forget, by the remarks of the good lady from the Big Island, that the original language of the bill said abortion. Thanks to a lot of people who did the wordsmithing, it was taken out. So to think that it was never intended to be that is a misconstruing of the history. Secondly, may I put more comments into the Journal? Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in opposition.

"This bill is literally a lawsuit waiting to happen.

"The Alliance Defending Freedom handled the 9th Circuit case that challenged a similar bill. Their representative in Hawaii has already stated that a suit will be filed challenging the constitutionality of SB 501 if it becomes law.

"The plaintiffs in the 9th Circuit case are waiting for a decision from the Supreme Court on whether the court will hear the case. If we must pass this out, wouldn't it be prudent to wait until that decision is rendered? Why do we want to pass a bill that is going to cost taxpayer money to defend in court?

"Why was this bill drafted? What problem is it solving? Are government funded abortion clinics losing money because of the free services provided by limited service pregnancy centers? Are women unaware of different contraceptive methods and unable to find information in this day and age?

"Or are the limited service pregnancy centers being targeted throughout the country because of a nationwide effort of organizations like the National Abortion and Reproductive Rights Action League Pro-Choice America, and government funded abortion clinics?

"The website for Pro-Choice Washington has a page claiming that limited service pregnancy centers give false information and asking women to share their bad experiences. It is obvious the goal is to shut the centers down.

"No hard evidence was presented in hearings that showed limited service pregnancy centers were misinforming women. There were testifiers who claim to have been misled by government funded abortion clinics and some who said the same about limited service pregnancy centers.

"Ironically, those who claim to be pro-choice do not want to offer women the choice between abortion and getting information that may help them chose to give birth.

"Our Constitution guarantees freedom of religion and freedom of speech. We do not get to select the speech protected. All speech is protected whether we agree with it or not.

"Today, it is the pregnancy centers that are being targeted with compelled speech. This is a violation of the First Amendment.

"We cannot afford to start down the path of selecting whose First Amendment rights are protected. That is bad public policy and a slippery slope to the end of our constitutionally protected rights.

"I humbly ask you to vote no on this bill. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I'd like to adopt the words of the Representatives from Puna and from Makiki into the Journal," and the Chair "so ordered." (By reference only.)

Representative Lowen continued, stating:

"I think part of this is just about making sure that if somebody is seeking advice on this issue, they're pregnant or they're seeking contraception, then they just deserve access to information that includes all the available services and factual information. And I think there is a lot of reason, and I've checked out some of the websites for some of the pregnancy centers, that there would be concerns that not all the information is being provided, and that it is not necessarily all factual either.

"So the posting of this poster, it just provides information of a place people can go to access information to make sure they are informed about the benefits that they could be provided through the State. And I think it's our responsibility to ensure that people in this situation, young women in this situation, receive the help and support that they need."

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

"Thank you, Mr. Speaker. I'm rising in opposition. First of all, let me first address some of the changes that were made in the conference draft. I've

heard from several speakers that the signage requirement of 8.5 x 11 on those three sentences do not seem to be problematic and it deals with truth in advertising.

"I think what the conferees did was remove the requirement that that particular signage be posted in the clinicians or the waiting room of that limited pregnancy center. So that's no longer in the draft, I believe. I think it has to be made available in some handout, maybe as a flyer, or also made available on an iPad or some electronic device.

"There was supposed to be a requirement in the prior draft regarding information, so that those patients and/or clients would be able to have these types of services, again these three sentences, in their own native language, whether it be Hawaiian, or Korean, or Thai, or Ilocano, or Tagalog, or several different languages.

"What's not in this bill is any requirement that that language, that I thought it was so important to make sure that many of these women who may not have English as a first language, would be able to have information presented to them in their language. That's no longer in the bill. So if they walk into one of these limited pregnancy centers, the only information that's being made available, it's in English.

"But, what's interesting about this bill is that when they do get the free, and I must stress free, pregnancy test, immediately the results have to be made available to that individual in the language of their choice. So if a woman walks in there and goes through the requisite process of being a client, i.e. patient, and then gets their free pregnancy test, immediately that limited pregnancy center has to provide the services in that person's preferred language. Failure to do so is a violation of this proposed law.

"Let me also comment upon this fact. Although they tried to deal with the issue of, a still controversial issue regarding abortion, and I believe my colleague from the Windward side made that critical amendment, there is still the word contraception. I have some friends and colleagues who don't believe that contraception is not a controversial issue, even today in 2017. And some of them have some really sincerely held convictions, I would say beliefs, that to promote such activity is a violation of some personal vows or beliefs. So I think that is also still within the bill.

"Mr. Speaker, I think they tried to eliminate the scope and scale and impact of the previous draft, but when I looked at the language it still does affect those small individual gynecologists, OBGYNs, who deal in the area of human reproduction. So some of your primary care doctors who are out there could also be affected by this.

"Let me also suggest that this, unlike other proposed laws to ensure the health and safety and adequate truthful information be made available, does not have any government oversight. In fact, this bill recognizes the Department of Health's desire to have nothing to do with this. Imagine that the State of Hawaii's Department of Health, the overseeing department for health care in the State of Hawaii, tells us, we don't want to be involved in regulating this important area of reproductive health of women in our community."

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

Representative Oshiro continued, stating:

"And Mr. Speaker, I think that should bother anyone here, whether you sit on the Committees of Health, Human Services, what have you. But to have your own state Department of Health, given the importance of this area to so, so many people, to relinquish the enforcement, oversight of a regulation, says much about the Department as well as what we hope to accomplish here.

"But what do we have here? We have a cause of action to allow folks like me, licensed attorneys, to go and represent any aggrieved party, to go and file a lawsuit in the local district court to seek an injunction to shut these centers down for alleged violation, to penalize them up to \$1,000, to get paid by my attorney fees and costs for this service in acting as a private attorney general.

"Mr. Speaker, I've been here awhile and I've never seen something like this. First of all, in one session you create a new regulation over a practice of *pro bono* services that has never been regulated, that has never caught the top line of any editorial or newspaper or frontline as being a crisis in health care. And then we impose a regulatory scheme like this. And guess what Mr. Speaker, the regulators like the Department of Health, or the Department of Commerce and Consumer Affairs, who are in charge of professional licensing all these types of medical so-called services, are nowhere to be found. This is extraordinary. And then you create a cause of action, so folks like me who are attorneys can make a pretty good living on enforcing this. That's amazing, Mr. Speaker, truly amazing.

"At our last discussion, the debate here, we learned about the constitutional infirmities of this bill. And I think my colleague from the Windward side is accurate, on point, in predicting what will occur on this bill. I hope you really think about this, and ask yourselves, did the attorney general weigh in on this bill? No. What about the usual suspects who are interested in protecting the civil liberties, civil rights of minorities, my friends at the ACLU, did they weigh in on this? Because we are dealing with a discreet minority."

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

Representative Oshiro continued, stating:

"Thank you, Speaker Emeritus. So when you look at the fact that the attorney general has not weighed in on a controversial issue, that any of the attorney generals or deputy attorney generals know it's live in the Ninth Circuit, there's a split of authority amongst the appellate courts circuits, they know about the alignment in this new United States Supreme Court, they didn't want to weigh in. And again, my usual friends at the ACLU, who are normally at the forefront of defending first amendment freedoms, freedoms of speech, freedoms of associations, freedom of religion, protection for minorities, are nowhere to be found. Those kinds of aspects of this bill set off all kinds of alarms.

"I believe the Governor's Office and his policy folks are looking at this bill, they're going to study it. But if you really wanted to get information out to the least among us, the poorest, those young women struggling to find support and resources to make a medically sound decision, why don't we go and use state public dollars to publicize that? On our city busses, on our state buildings, at our welfare offices, at our health centers, at our health clinics. Why don't we go and distribute flyers through our public schools, in our high schools, at their health clinics?"

"Let's make it easy. The same three sentences here that may run into a constitutional legal problem can be printed and sent out there and posted at these places. They can also be posted 24/7 electronically on all our websites, right at the front as a banner. There are less burdensome alternatives to achieve the goals of this measure. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support of this measure. Could you please incorporate the Health Committee Chair's comments as my own? And the reason I'm going to incorporate those comments is because I really don't believe that men have the right to opine on an issue like this, that affects women in such fundamental ways. Thank you very much," and the Chair "so ordered." (By reference only.)

Representative Tupola rose to respond, stating:

"I get the right to opine, I think. So I just wanted to explain, as well as the speaker from Wahiawa, that part of this concern about our imagined impact that we're going to have on expanding accessibility has to do with somebody going to enforce this. And so the previous speaker from Wahiawa stated all the issues that the Department of Health brought up as to where they stand on this, which is pretty important. And in one of their testimonies they said they do not have the resources nor the capacity to regulate or enforce these provisions.

"So I go back to what the root of what we are trying to do. If we're trying to increase accessibility, have we done it by passing this, if nobody is

actually able to enforce it or make sure that this is happening? And have we really accomplished the intent if we've only made a small pocket of people have to publicize this, when really we expect this to be everywhere so that more people have access to this information?

"So I ask those questions because I would hope that when we talk about measures on the floor, we do what's right, but we can also do what's legally right. Which means by law we can do what we need to do, which is make good public state policy. And that we can listen to what the departments say and come up with something that actually has real impact. Thank you."

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

"In opposition, and may the words from the Representative from Ewa Villages and her past two comments be as my own? And my question is, to reiterate what the Representative from Wahiawa says, if we were to post this everywhere, that would make more sense than why we're just limiting it to limited service pregnancy centers? I don't understand that rationale. Why don't we just let this three sentences be posted wherever we can? And why are we, if this information is so important that people should know this, then why are we limiting it to limited service pregnancy centers? That makes no sense to me, almost. But so I rise in opposition. Thank you sir," and the Chair "so ordered." (By reference only.)

Representative Souki rose, stating:

"Mr. Speaker, I believe this is a point of consideration. I think we have heard the speech on both sides. They both have compelling arguments. I would like to move on, Mr. Speaker."

Representative Ing rose, stating:

"I'll call for the question."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 501, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 38 ayes to 12 noes, with Representatives Aquino, Cachola, Cullen, Har, Kong, Matsumoto, McDermott, Oshiro, Say, Tokioka, Tupola and Ward voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 158 and S.B. No. 1240, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1240, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, Senate Bill 1240 was changed at the last minute. It went from asking the State to do more studies, to a ban bill that would unfairly deny access to the resource by a small single user group of fishermen. The state Division of Aquatic Resources along with local community groups have been working together for decades to make sure that our resource is sustainable and that our reefs are healthy.

"The resulting policies, regulations implemented, rules packages, and new laws that have been passed have resulted in the increase of over 3 million more aquarium fish on the reefs today compared to 30 years ago. The management plan that is in place is clearly working, and every scientific study done has proven that the aquarium fishermen are not depleting the resource.

"The only voice calling for the aquarium industry to be shut down is from a small special interest group. This group refuses to be a part of the ongoing process to make sure our resources are sustainable. They can produce no evidence to support their claims, and their defamatory statements are never substantiated with any facts.

"Both the scientific community and the state Division of Aquatic Resources are all on the record against this bill. If passed, this bill would

eliminate many jobs, take millions of dollars out of the local economy, and reduce tax revenues, destroy people's retirements, and hurt many families, and create a dangerous working environment for these fishermen. For those reasons, Mr. Speaker, I am in opposition. Thank you."

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

"Briefly in support. So just to correct the record, the House position on this bill was actually a lot more draconian as a law as what we're looking at now. This is a compromise that's been at least three or four years in the making, where both sides actually left happy. You're talking about the industry and animal rights people.

"And it's a compromise that would grandfather in the people in the industry now. And they enjoy it because they might have some market power now without new permittees coming in. It allows them to transfer their business, that was a clause that was put in during conference, that if they want to sell their business, not only are they selling the equipment and the boats, but the permit itself. So we might actually let them actually have a windfall for their children if they do want to exit the industry.

"And frankly, if you actually sit down and talk with a lot of these aquarium collectors, they realize that there is not a lot of future. Ever since Finding Nemo, there hasn't been a lot of future in this industry. And they're not necessarily stoked, they don't want their kids to get in it. They just want to continue on, continue providing for their family, and hope that their children will have other opportunities moving forward.

"Now, in terms of calling this a fishing issue, it simply isn't. Fishing is protected under the Constitution, in Chapter 11, because it's a public resource and it has to deal with subsistence. We're not talking about consuming these fish. This is an industry that is for purely ornamental reasons, for humans to look at them in a glass box. Whereas most of these fish, when collected, actually die before they even reach the pet shops.

"The other point was, there's been a lot of increases in aquarium fish. Now the increases have happened in West Hawaii where we actually shut down a lot of these areas and protected them. And the reasoning is because they were being depleted, so we wanted to protect them and allow the people to gather right outside of those areas. And it's back to these historical numbers of abundance, and that's great.

"But when you look at it holistically through the State and you have such an influx in population in those areas, that it inflates the total population of these fish. Whereas if you were to actually look at the areas in Oahu where a lot of these collections are happening now, you'd probably see depletion.

"The problem is we're not looking at, the science, the studies aren't happening. And this one calls for a sustainability plan and a study and to define sustainability. The absence of evidence is not proof, that's not how science works. Right? The precautionary principle is, if we don't know whether something is hurting a population, do we condone it or do we say, wait, maybe we should see if it is working first. Right? So that's what this calls for.

"Moving forward, I think it's really remarkable that the aquarium, after conference is done, the aquarium collectors actually came and thanked me and other conferees, so did the people on the other side. Nobody was screaming and shrieking down the streets in jubilation. But I think that's our job, is to find the compromise that all sides are happy with. And we won't be a hero to anybody, but if we wanted applause we'd join the circus. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1240, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUATIC LIFE," passed Final Reading by a vote of 36 ayes to 14 noes, with Representatives Choy, DeCoite, Har, Hashem, Ito, Kong, Matsumoto, Oshiro, Say, Takayama, Tokioka, Tupola, Ward and Yamashita voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 164 and H.B. No. 306, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 306, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"I stand with reservations, short comments. I would like to thank the Chair of Transportation for making this measure permissive, authorizing rather than the original mandate. The reason I stand with reservations is twofold. One is the second part of the measure requires the Judiciary to have a program in place. The Chair of Transportation pointed out to me that it's not effective until 2018, and that is why I'm not opposing it. What I have found about this particular continuous alcohol monitoring device that is provided herein, is that it costs three time more than the interlock device.

"MADD, Mothers Against Drunk Driving, is in opposition to it because it doesn't prevent drunk driving. However, and this is the reason why I support it, it has been found in states that have adopted it to be effective when there is a supervisory, like a DUI court program. And that's why I support it. The reservations comes in because we have not funded DUI court, but I'm hoping that in 2019, when the grants run out, we will be funding DUI court, and when we do, it will be effective. And for those reasons I support it and am hoping that we do fund DUI court next year. Thank you."

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

"Thank you, Mr. Speaker. On Conf. Com. Rep. No. 164, H.B. No. 306, HD 2, SD 2, CD 1, please note my reservations. And can I please have the words of the Vice Chair of Judiciary entered into the Journal as if they were my own, highlighting specifically the opposition of Mothers Against Drunk Driving. Thank you," and the Chair "so ordered." (By reference only.)

Representative Oshiro rose in support of the measure with reservations and asked that the remarks of Representative San Buenaventura 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. 306, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUOUS ALCOHOL MONITORING FOR REPEAT OFFENDERS," passed Final Reading by a vote of 50 ayes, with Representatives Har, Oshiro and San Buenaventura voting aye with reservations, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 165 and H.B. No. 735, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 735, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"I just wanted to express my opposition, somehow I missed that this had made it all the way through. I remember on Finance we saw this, when I was Vice Chair of Transportation last term we saw this.

"As a consumer, nothing upsets me more than when the real price isn't listed, and then you pay it and you get all these fees and everything tacked on. And my understanding of what this does is it allows for the rental car industry to tack on yet another fee. They can already pass on these costs to customers, but they don't want to be honest with what things really cost. And so it's another way to get around and misrepresent what some things really cost, and it's just really lame. So I'm a no vote."

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

"In opposition. When we sat in the Finance hearing, that was my exact thought, because now they are going to be able to put this fee somewhere

else, not put it into their costs, no one will really know how much they are going to pay. Every other industry deals with overhead costs by building them into the price, so that you know how much you're going to pay when you get there. Now you're going to get to the counter and they're going to say, oh by the way you owe a lot more.

"And each of the companies can determine those costs themselves, so they're not really going to know from company to company if there is a set cost that's going to be able to be added to this. And I would like to note that the state office of consumer protection opposed this bill for that reason. Because we are out there to protect the consumers that don't know any better. They get to the counter, oh, there is a law that they can now make up their own fees.

"And who is supposed to regulate it? the Department of Transportation. So they have to give them a report at the end of the year saying why they charged those fees, how much they charged, and who is going to check that? I mean, there's no division within DOT right now that actually does this. And so I think that should possibly be set up first, so that this is actually done legally. And for those reasons I don't think that we should pass this bill that's going to hurt consumers. Thank you."

Representative San Buenaventura 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. 735, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY," passed Final Reading by a vote of 45 ayes to 5 noes, with Representative San Buenaventura voting aye with reservations, with Representatives LoPresti, Matsumoto, McKelvey, Thielen and Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 166 and H.B. No. 1152, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1152, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you Mr. Speaker. I stand in support of this measure, however I have some reservations and really just want to note something for the record. One of our colleagues said that the problem in airports isn't so much governance, it's an inability to contract. And this is seeking to shore up capital improvement projects that were allocations made by the State.

"But I guess what's troubling to me is there's many entities in the airports, particularly our major lift partners, that want to not only work with the airports, but actually be proactive and do things for our airports and our state.

"One of the major carriers to the State of Hawaii, Mr. Speaker, is in desperate need of a terminal, so they can do aircraft servicing, maintenance, and other things to provide service to their East Asian routes. They could bypass Hawaii today, they could easily bypass Hawaii today. But having this facility in Hawaii would guarantee that a good share of the lift we enjoy today would stay preserved.

"However, the airports division hadn't moved on this. And so they came to them and said, look we are so desperate for this facility to be built, to preserve the routes that you enjoy, we will build it ourselves, a state-of-the-art terminal ourselves, and will turn key over to the State of Hawaii.

"Mr. Speaker, the airports division said no, we don't want you to build this, we won't accept the turn key, we want to build it ourselves because of the rent revenue that we're going to get from you. They said, well where are you going to begin? Well, we can't, because we don't have the funds that were allocated to us because of cost overruns on other projects.

"Mr. Speaker, what you have here is a situation where we could have a state-of-the-art terminal that would preserve our lift from a major carrier, as

well as preserving jobs and other things. And the State is saying no, we'll do it ourselves.

"My concern and why I support this bill is that it won't get built, they won't start. And when that happens, they have demonstrated a serious commitment to preserve their overall business model and to preserve these overseas routes, and could very well diminish lift to Hawaii, which could impact our visitor industry, which is also paying for another project right now that's being contemplated by this body.

"So at the end of the day, Mr. Speaker, I support this. The airports division needs to move on these things. But I guess we need to see that when you have an opportunity, a gift from the private sector like this that will create an enrichment across our airports, in our tourism market, and everything else, they need to, I would hope, work with them. And if not, utilize the funds we give them to move these projects forward quickly and learn, in the good words of my colleague, how to contract. And so with that, Mr. Speaker, I stand in support but want to note my reservations, and hopefully for the record, the situations which are occurring right now. 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. 1152, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF TRANSPORTATION, AIRPORTS DIVISION, PROJECT ADJUSTMENT FUND," passed Final Reading by a vote of 50 ayes, with Representative McKelvey voting aye with reservations, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 167 and H.B. No. 997, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 997, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 168 and H.B. No. 1231, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1231, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

At 5:05 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 375, HD 1, SD 1, CD 1
 H.B. No. 508, HD 1, SD 1, CD 1
 H.B. No. 632, HD 1, SD 1, CD 1
 S.B. No. 917, SD 1, HD 1, CD 1
 S.B. No. 923, SD 1, HD 1, CD 1
 S.B. No. 1016, SD 1, HD 1, CD 1
 S.B. No. 501, SD 1, HD 2, CD 1
 S.B. No. 1240, SD 2, HD 1, CD 1
 H.B. No. 306, HD 2, SD 2, CD 1
 H.B. No. 735, HD 2, SD 2, CD 1
 H.B. No. 1152, HD 1, SD 2, CD 1
 H.B. No. 997, HD 2, SD 2, CD 1
 H.B. No. 1231, HD 1, SD 1, CD 1

At 5:05 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:17 o'clock p.m.

At this time, the Chair stated:

"Members, please turn to page 30 and refer to Conference Committee Report Number 187."

Conf. Com. Rep. No. 187 and H.B. No. 475, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee and H.B. No. 475, HD 1, SD 2, CD 1 be recommitted to the Committee on Conference, seconded by Representative Evans.

Representative Tokioka rose to speak in opposition to the motion to recommit, stating:

"What I am hearing is that Conference Committee Report 187 is going to be recommitted, which kills the bill, is that what I'm hearing? I am in opposition to that, Mr. Speaker. I feel bad for the deaf community. Because if I am being punished on this bill because I stood up and said some things about whether it was rail or whatever else, it's not about me.

"This bill, Mr. Speaker, is for the hundreds and thousands of deaf people throughout the State of Hawaii who want to go to a movie and have captioning on the movie. So if they are being punished for what I did, by standing up, talking about rail or whatever else, then I apologize for that.

"But we have different things that are moving, Mr. Speaker. And to kill this bill right now is a disjustice to the deaf community, the hearing impaired community, for people who are hard of hearing I mean to say, for people who have second languages that they want to watch the captioning. And that's a tragedy for them. Thank you, Mr. Speaker. In opposition."

Representative Say rose, stating:

"I have a personal request I'd like to make. Would you yield to a question?"

At 5:19 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 5:25 o'clock p.m.

At this time, Representative Saiki withdrew his motion, and Representative Evans withdrew her second.

At this time, the Chair stated:

"Members, we're still on page 30, please refer to Conference Committee Report Number 194."

Conf. Com. Rep. No. 194 and H.B. No. 1469, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee and H.B. No. 1469, HD 1, SD 2, CD 1 be recommitted to the Committee on Conference, seconded by Representative Evans.

At 5:25 o'clock p.m., Representative Say requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:27 o'clock p.m.

Representative Luke rose, stating:

"I'm assuming that for H.B. No. 1469, the reason why we are recommitting it is the Senate already recommitted the bill. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee and H.B. No. 1469, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," were recommitted to the Committee on Conference, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 172 and H.B. No. 116, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 116, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. I'm not really sure what the origin of this bill is, I'm just reading it as it is, and I think my concern is that the land for the DOE schools, it was 98 schools, I believe, that were first identified and now it is down to 14 schools that have been identified where their land that is currently held by the City and County of Honolulu is going to be transferred to DLNR.

"Historically, way back, way, way back, when the schools were first made, it was city and county land. I get it that they're trying to consolidate it and give it to the State for redevelopment purposes, and from reading the testimony it was to help schools redevelop that are along the rail route. That's what it said.

"And then the attorney general testified and said that property cannot be taken for public use without just compensation under article 1, section 20, he referenced a case and said this bill would essentially take the property of the city and county for public purpose without just compensation.

"DLNR submitted a testimony in opposition but with comments, meaning they might be okay with it if they got compensation because they have to redo the lines. So some of the schools that have been listed, they have huge issues about part of the land of their school not being owned by city and county, so there is conveyance issues that need to be resolved before this thing is a done deal.

"So the amendments they suggested was, in the event that the county and the Department of Land and Natural Resources are unable to resolve boundary disputes, the governor shall make a final decision. And then later it says that they are asking for a sum of money so they can actually redo these lines, make the maps correct, so that we have state land under state DOE schools.

"So with all of that being said, I'm still confused what this is, because how did the 14 schools get chosen if they were supposed to be along the rail route? Because these are the 14 schools right now. Castle High School, Kahuku High and Elementary, Kalaheo High School, Campbell High School, Waianae High School, Waipahu High School, Aiea High School, Leilehua, Radford, Waialua, Farrington, Kaimuki, Kaiser, Kalani. So I am not totally sure, but some of those in there aren't along the rail route as far as I'm concerned, unless the city gets so much money that they build the rail all over the island.

"So I'm just confused I guess on what this is doing exactly. And if we are going to convey it over to DLNR, who opposed this bill unless they got some resources to take care of the land, then how does this benefit the schools that aren't on the rail route, that aren't using it for redevelopment purposes? And I've talked with some of the principals from these schools to ask what their stance is or what DOE's stance is on this, and nobody really knew.

"Just for those reasons, not being totally clear on what all of this is going to do, what the final impact would be, those are what my concerns are."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 116, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Har, Oshiro and Tupola voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 174 and H.B. No. 1179, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1179, HD 2, SD 2, CD 1 pass Final 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 LoPresti rose to speak in support of the measure, stating:

"Thank you, in support. I just wanted to state for the record, because we will be revisiting this in four years. I have the same concern that I've expressed earlier, that I want to make sure in four years, and I believe my colleagues do too, want to make sure that the reductions of profits and the reductions of earnings that are so nobly sacrificed for more affordable housing is not just borne by the workers but shared by the developers and the contractors as well. 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. 1179, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 50 ayes, with Representative Thielen voting aye with reservations, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 175 and H.B. No. 1022, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1022, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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 stand in support of but with reservations. My reservations arise from the failure of the Legislature to fund the following settled claims of the Department of the Attorney General for the following cases:

- (1) Ah Chong. et al. v. McManaman, Civil No. 13-00663 LEK-KSC, USDC;
- (2) Sheehy. et al. v. State of Hawaii, Civil No. 14-1-1709-08 VLC, First Circuit Court; and
- (3) Bridge Aina Le'a, LLC v. State of Hawaii Land Use Commission, Civil No. 11-00414 SOM KJM, USDC.

"(I) The Ah Chong case is a class action lawsuit alleging that the State's foster care maintenance payment are inadequate under the Social Security Act, that the Department of Human Services failed to properly set its payment rates, and the Department of Human Services failed to periodically review and update its payment rates. After extensive discovery and motions work, the parties settled both this case and a related state class action lawsuit with the assistance of a federal magistrate. The \$1,100,000.00 settlement is for Plaintiffs' attorneys' fees.

"Certainly, \$1,100,000.00 is a substantial sum of money and the Legislature should have oversight of any settlement. In this case, however, the Plaintiffs' attorneys were seeking nearly \$3,000,000 in attorneys' fees and costs for the federal lawsuit and this settlement is about one-third of the amount previously sought. Moreover, the following excerpts from the Federal Lawsuit Class Action Settlement Agreement reveal the context in which the settlement was reached between the State of Hawaii and the Plaintiffs' Class.

WHEREAS, shortly before trial in the Federal Lawsuit was scheduled to commence, the Parties engaged in settlement discussions through their respective counsel, with the assistance of the Honorable Kevin S.C. Chang, Magistrate Judge of the United States District Court for the District of Hawaii; and

WHEREAS, Defendant denied and continues to deny any and all liability and damages to Plaintiffs with respect to the claims or causes of action asserted in the Federal Lawsuit and the State Lawsuit, but nonetheless acknowledges that bringing the cases to a close now through settlement—rather than after years of litigation and appeals, with uncertain outcomes and concomitant attorneys' fees and costs that would be incurred by both sides—would help move the Parties toward a better working relationship for the benefit of all children in Hawaii's foster care system, and the relief

Defendant agrees to provide under this Federal Settlement Agreement is offered solely as a compromise, and not because Defendant believes DHS has any obligation to Plaintiffs to provide said relief; and (emphasis provided)

WHEREAS, Plaintiffs and Class Counsel have analyzed, evaluated, and extensively litigated the merits of the claims made against Defendant in the Federal Lawsuit and the impact of settlement (as well as the impact of not settling) on Plaintiffs and the members of the Class, and, recognizing the substantial risks of continued litigation—including the possibility that the Federal Lawsuit, if not settled now, might result in an outcome that is less favorable or that a fair and final judgment may not occur for several years— Plaintiffs and Class Counsel are satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate, and that this Agreement is in the best interests of the Class; and (emphasis provided).

WHEREAS, the Parties have reached a proposed comprehensive settlement of the State and Federal Lawsuits and, on August 26, 2016, the Parties in the Federal Lawsuit and the parties in the State Lawsuit agreed to the essential terms of a valid and binding settlement agreement, which was placed on the record before the Honorable Kevin S.C. Chang; and

WHEREAS, the attorneys' fees sought by Class Counsel are based on their hourly records, summaries of which were provided to Defendant;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth in this Federal Settlement Agreement, as well as the good and valuable consideration provided for herein, the Parties hereto agree to a full and complete settlement of the Federal Lawsuit on the following terms and conditions:

[...]

7. Court Approval and Legislative Appropriations. Settlement of the Federal Lawsuit and the State Lawsuit and the obligation of Defendant to make the payments provided for herein are conditioned on (1) approval of the Federal Agreement and the State Agreement by both the United States District Court for the District of Hawaii and the Circuit Court of the First Circuit, State of Hawaii, respectively, and (2) appropriation of funds by the Legislature of the State of Hawaii to fund the amounts required to be paid under the Federal Agreement and the State Agreement.

[...]

2. The amount of any attorneys' fees and costs approved by the Federal Court is subject to the Hawaii Legislature's appropriation process. No interest shall accrue on an award of attorneys' fees and costs. Any award of attorneys' fees and costs shall be paid within a reasonable time after the start of the state fiscal year following the legislative session during which the appropriation is made, in accordance with the State's policies and procedures for payments by the State of appropriated settlements.

[...]

4. In the event the Federal Court approves the motion for attorneys' fees and costs in an amount less than the amount requested by Class Counsel, that shall not be a basis for rendering the entire Settlement or this Federal Agreement null, void, or unenforceable. If the Legislature refuses to appropriate Class Counsel's fees and costs as approved by the Federal Court, the Settlement shall be null and void. (Federal Lawsuit Class Action Settlement Agreement, pages 6, 7, 14 and 15) (emphasis provided)

"Clearly, the provisions of the Settlement Agreement show that there was a deliberate and conscious 'give and take' between the parties to arrive at this mutually agreeable settlement. The obvious uncertainty of any litigation is a fact that cannot and should not be lightly dismissed. Herein, the parties are correct and to be supported to focus meaningful attention to the beneficiaries of their respective roles; the foster families and children and the State coffers. Both sides have agreed to settle the case now, versus years later. I think we should honor their mutual agreement and settle this dispute. At the end of the day, the foster children will benefit from our decision.

"(II) In the second case, the Sheehy case, the issue to be settled is the difference in what the Plaintiffs' claim they should have been paid and what they were paid. The parties reached a settlement of this and the Ah Chong cases.

"The \$2,341,103.10 settlement provides for the establishment of a common fund to be used to pay administration expenses, fees and costs, with the balance to be distributed among those who are entitled to payment: resource caregivers (fosters parents), legal guardians/permanent custodians,

adoptive parents of former foster children and youth in the higher education program who received monthly payments from DHS from July 1, 2013, to June 30, 2014.

"Similarly, the same consequences befall the beneficiaries if we fail to fund these mutual settlements. The children, the orphans, and foster families.

"(III) The Bridge Aina case is a settlement for \$1,000,000.00. It arises out of a Land Use Commission decision and land use classification of property on Hawaii Island from agriculture to urban. The change was subject to some conditions including requiring the owner to complete 385 affordable housing units. Twenty years later, the only 'affordable housing' at the site were several incomplete multi-unit dwellings that did not have utilities and could not actually be used. The Land Use Commission found that this work did not constitute 'substantial commencement with affordable housing requirement.' The Supreme Court of Hawaii reversed, reasoning that \$20 million of planning and other preparation constitute 'substantial commencement.' DW Aina Lea Dev., LLC v. Bridge Aina Lea, LLC, 134 Hawaii 187, 191, 339 P.3d 685, 689 (2014). Bridge's lawsuit sought \$40,000,000.00 arguing that the improper reversion was a temporary regulatory taking requiring payment of just compensation. The case was settled before a federal jury trial.

"In comparison between the potential liabilities of \$40,000,000.00 versus \$1,000,000.00, the attorney general advised us to fund this settlement. I would not like to second guess the attorney general and his deputies. They have 'lived' the case for many years. I would not like to 'Monday Morning Quarterback' this call.

"Failure of funding this settlement may lead to further litigation. And the inertia that compels a case forward to trial may find itself locked into a protracted process that the invested parties find themselves unable to settle at the same or similar terms and conditions as found herein.

"For these reasons set forth above, I respectfully cast my vote in favor but 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. 1022, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 48 ayes to 2 noes, with Representative Oshiro voting aye with reservations, with Representatives Har and McKelvey voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 181 and H.B. No. 839, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 839, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 185 and H.B. No. 847, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 847, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII RESEARCH," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 187 and H.B. No. 475, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 475, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In support. I am totally in support. I do have some concerns with the bill, but I do want to thank the leadership, especially

Speaker Souki, for helping with the changing of the recommittal. And I appreciate the members of this body understanding what deaf people go through. They've been here from the beginning, when this bill happened. And it's something that they have all asked for and wanted, and I really appreciate both sides moving this bill. Thank you very much, 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. 475, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOVIE THEATRES," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

Conf. Com. Rep. No. 189 and H.B. No. 591, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 591, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Rising in opposition of this bill. I rise in opposition to this bill, Relating to the Capital Infrastructure Tax Credit. I think for those of you who were here back in 2014, you remember what went on with this bill.

"That was the year that we had numerous requests for different types of relief from the effect of the GET, especially on the low-income, homeless, and senior citizens. I was hopeful that we would have the opportunity to address some of the needs of our most needy in 2014.

"So I asked my staff to pull out the memo that we got in 2014. They couldn't find it. But they are so resourceful, so they brought out the chart that I used back in 2014, how major bills fared at the Capitol. This is Sunday, May 4, 2014, Honolulu Star-Advertiser. And I used this when I went to the community meetings, because I wanted to explain to my constituents in Wahiawa, that although we sought to pass the earned income tax credit—"

At 5:34 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 5:34 o'clock p.m.

Representative Oshiro continued, stating:

"Mr. Speaker, I do understand the rules and I ask the Majority Leader to excuse me for my *faux pas*. But again, back in 2014, we had looked to pass the earned income tax credit, a low-income tax relief credit, food excise tax credit, low-income tax exemption, manufacturing tax credit, hotel construction tax credit, senior tax relief credit, senior tax credits. One, two, three, four, five, six, seven, eight tax credits for those various business sectors, individuals, seniors, lower income. The only one that passed that year, Mr. Speaker, was the one that we are dealing with today."

At 5:36 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 5:37 o'clock p.m.

Representative Oshiro continued, stating:

"In doing some research to kind of get an idea of how unique this bill is, even as we discuss the remaining bills today, it finally dawned upon me when I looked at the bill that was earlier heard this morning and my friend from Manoa who talked about the revenue generation of that bill, going back to the tax code provisions we had in 2009 to 2015, taxing the highest earners in Hawaii *nei* for the purposes of paying for the earned income tax credit, albeit it's a non-refundable one, but it generates some money for the permanent features of the food tax credit.

"I only saw about \$25 or \$30 million cash leftover after we went through that exchange or redistribution of wealth from the top wage earners to the

most impoverished, the most needy in our community. So I said to myself, where is that money going to go? Well, the answer is here. The answer is in this bill."

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

Representative Oshiro continued, stating:

"Thank you, Representative from Ewa Beach. In testimony to the Senate Committee on Ways and Means dated March 25, 2014, the Department of Transportation noted that, quote, 'only one tenant meets the criteria to benefit from this bill. This tenant presently occupies state property under a month to month permit, which can be cancelled upon 30 days written notice by either party. The tenant has had several years of advance notice of the department's redevelopment plans.'

"So for the record, I'd like to resubmit my remarks on the conference committee draft, submitted on April 29, 2014," and the Chair "so ordered." (By reference only.)

Representative Oshiro continued, stating:

"But despite these concerns, this bill, House bill, conference draft, was enacted as Act 200, Session Laws of Hawaii 2014. And there it is on the books. So we came back in 2015 to allow for an extension of that measure. And believe it or not, they got an extension and expansion of that credit.

"So the bill before us today would expand the tax credit from 2014. And let me point out the testimony offered by the Tax Foundation of Hawaii. Act 200, SLH 2014, allows investors who make an investment in a qualified infrastructure tenant displaced by the Kapalama terminal to claim a capital infrastructure tax credit equal to 50% of the capital infrastructure costs, up to \$2.5 million in infrastructure costs per year.

"Tax credits generally are designed to reduce the tax burdens of certain groups by refunding a portion of taxes paid on purchases of essential items and services. The capital infrastructure tax credit adopted last year provides financial assistance to displaced tenants, and it is, of course, arguable that some financial assistance is justifiable given the circumstances.

"The present bill substantially expands the expenses eligible for the credit to machinery, equipment, and other capital items that will not become part of the real property infrastructure. Presumably, the tenant will own these items or be able to remove them from the property when the tenant's lease ends. There is much less justification for allowing these kinds of expenses to be creditable.

"Now it appears obvious that the revenue hit is going to be, hold on, more than \$20 million. In any event, the credit amounts to nothing more than a subsidy of state funds, and as with any subsidy, this one needs to be paid for.

"As I did in 2014, Mr. Speaker, I again question whether it is sound public policy to provide open-ended benefits to a single entity at the expense of Hawaii's taxpayers. And let me confirm my proof in coming forward with this assertion that this benefits one entity. When I went into the file of what's available for public testimony on this bill as it moved through, I checked on the email addresses of those who submitted online testimony, and they primarily come from three different entities. One is under the Navatek email account, 46. One is under Pacific Shipyards, 26. There are several Gmail and Lava.net accounts. Interestingly, Mr. Speaker, those are the same exact beneficiaries of this measure. So when I put two and two together, I can see how the monies that we raised earlier this morning, one of the purposes may be to assist this one or two companies through this tax credit.

"I don't know if you remember the Superferry debacle we went through when we mightily tried to create special legislation—"

Representative Ing rose to a point of order, stating:

"Point of order, Mr. Speaker. He's impugning the motives of other members. That line, the reasoning behind it is impugning the motives of the

members who are working on this measure, not pertaining to the measure itself."

The Chair addressed Representative Oshiro, stating:

"Yes, the Representative from Maui does have a point. Please focus on the merits of the bill, why it's good or not good for the State."

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

Representative Oshiro continued, stating:

"Mr. Speaker, again, I was not impugning the motives, I was just pointing out the reference to the Superferry debacle because Superferry caused us to come into special session to try to address a legal problem in place that time. What we did is pass out laws to allow the Superferry to operate, but in doing so we were found to have violated the State Constitution about special legislation.

"Let me get to my point. In 2014 and 2015, I did consult with then the attorney general to ask if they had an opinion upon this particular measure. They hemmed and hawed before they could give me an opinion. But they told me this. It does look like it can benefit one or two special individuals or businesses, but they need to wait and see how the final draft comes out.

"In this particular measure here, maybe the language doesn't directly benefit one, but the effect of it, the interest shown from the public record, certainly indicates it's a very limited number of individuals and organizations who will benefit from this credit, \$20 million. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. The language of the bill is very specific, and I understand that people may have concerns, but what is happening is we are modernizing our Honolulu Harbor, and because of that there's going to be displacement. And there's a displacement and relocation because we have a Kapalama Container Terminal project. And that is the way I read this bill, is that when we're displacing someone that's inside the harbor, which they've probably been there for many, many years, it's extremely disruptive and it's very expensive when you go through a displacement.

"So I think that given that we've been very supportive through the Harbor Modernization Plan over the years, clearly it's now the time that somebody probably pulled the trigger and said it's time to move on and tell them they have to leave.

"So I think many times here at the Legislature we've looked at what we've done when we impacted, especially manufacturing, this is kind of our manufacturing commercial area in the Honolulu Harbor, and it's not that we haven't done something like this before, because I believe it was about 14 years ago we helped with the displacement of a shipyard that we displaced at Kewalo Basin. So I think we have shown that we've done that before. So thank you very much, in support."

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

"Thank you, Mr. Speaker. In support. One of the things that I wanted to clarify is this is something that was passed in response to certain tenants at Kapalama being removed from the facility because of the DOT Harbor Modernization Plan. At that point in time we weren't sure how many people would be, or entities would be impacted, and that's why we put a cap.

"So the bill that you see today is something that we've been working with Department of Taxation to clarify what items would be qualified, and we specifically put a cap amount because we learned from the mistakes of the past. This has a cap of \$2.5 million, and it's going to expire next year. So that's the only amount that's going to go out. Because we learned from the mistakes from the prior legislature, where we had no caps on Act 221, we had no caps on PV credits, which we continue to pay. So we ensured that this has a cap. Thank you."

At this time, the Chair stated:

"Members, before we continue, I wanted to echo the concerns from the Representative from Kihei, Maui, who was correct. You cannot arraign a sinister motive for any of the bills, so if I missed that, I apologize."

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

"Mr. Speaker, I rise in support of this measure. I would just like to ask members that if we are going to impose a standard on the impact of legislation, then we should do that to all of the proposals that come before this body.

"I would like to just remind everyone that maybe eight or ten years ago, the House initiated legislation that statutorily provided a lease for a nonprofit organization at Kewalo Basin. And this legislation resulted after the Hawaii Community Development Authority had denied their request for a lease. The legislation required that the lease be effectuated, and it also provided for a \$1 a year lease term for 65 years. So that is an example of the kind of legislation that is very narrow, in fact it probably constituted special legislation which is unconstitutional because it provided for a specific tax map key in the legislation.

"So my request is that if we are going to impose this kind of scrutiny to legislation, we should do that for all of our bills, and maybe even look back to see what could be undone from prior years. Thank you very much."

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

"Thank you, in opposition. I'm in opposition of this measure because this is another tax credit bill, and I'm not really into tax credits. But should this measure pass, I will be interested in buying some of these credits. Thank you."

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

"Strong support, Mr. Speaker. Mr. Speaker, this act before us is a correction to Act 200, which was passed in 2014. And it was intended to help the displaced waterfront tenants from the Kapalama Container Terminal site to secure financing and to build out. The bill supported multiple displaced tenants. And the purpose of this year's bill is to clarify the definition of the capital costs and correct language in the bill based on discussions on this bill with DOTAX.

"For some of the tenants that were forced out by the State from Pier 41, relocating to other state lands that were essentially bare or empty piers and required full infrastructure build out, including sewers, electrical, roads, parking, and other site improvements. These displaced tenants did experience major disruptions and negatives impacts to their operations. And as originally intended by the Legislature when this bill first passed, there is, as the Finance Chair indicated, there is a cap. We are in the last two years, and basically there is just a limited amount of time left for this to apply. So that's why we are moving this particular measure today. Thank you."

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:

"I rise in strong opposition to House Bill 591, House Draft 1, Senate Draft 2, Conference Draft 1. It is described in the Order of the Day as the 'Capital Infrastructure Tax Credit, Kapalama Container Terminal Project; Displaced Tenants.'

"Mr. Speaker, please allow me again to restate the facts that underline my opposition to House Bill 591, House Draft 1, Senate Draft 2, Conference Draft 1. For one, the public record bears out the following:

- (1) Generic email testimony submitted to House Committees on Economic Development and Business and Finance and Senate Committees on Transportation and Energy and Ways and Means reveal the following:

- (a) Most of the testimony came from employees, owners, directors, or officers of Navatek, Ltd and account for most of the electronic testifier position in 'Support.' (About 46 individual emails, @navatek.ltd.com)
 - (b) The second largest group came from employees, owners, directors, or officers of Pacific Shipyards International LLC and account for most of the electronic testifier position in 'Support.' (About 26 emails, @pacificshipyards.com)
- (2) Testimony from the state Department of Taxation, Maria E. Zielinski, Director, points out the following concerns:
- (a) The bill would double the maximum amount of capital infrastructure tax credit from \$1.25 million per year to \$2.5 million per year. Under the current law, the credit is set at 50% of the capital infrastructure costs, up to a maximum of \$2.5 million of costs paid or incurred during the taxable year. This measure eliminates the reference to costs and simply sets the credit cap at \$2.5 million.
 - (b) The bill redefines 'capital infrastructure costs' under Section 235-17.5, HRS, to include every capital asset purchased by the business, thereby vastly expanding the types of property eligible for the credit. This is very important because this measure now allows a taxpayer to front load all costs in the early years, and still be able to claim the credit in subsequent years.
 - (c) The Department has concerns in regards to non-conformity to Section 706 (d) of the Internal Revenue Code (IRC). Individual partners, and not the partnership itself, report the partnership's income, loss, credits, and other tax attributes. Non-conformity will permit a partnership to allocate the credit without regards to when the costs were incurred and when a person became a partner. For example, suppose in a calendar year, partnership admits a new partner on December 31. This bill would allow the partnership to allocate the credit to that new partner even though the expenditure which qualify for the credit were expended at a time on which the person was not even a partner.
- (3) Tax Foundation of Hawaii provided the following relevant commentary.
- (a) This measure doubles the annual credit limit, and substantially expands the definition of creditable costs to include machinery, equipment, and other personal property. The credit was originally enacted and awarded for costs of real property infrastructure. That credit was justifiable because the State would ultimately own that infrastructure. The justification now is much less apparent with tangible personal property because the tenant, rather than the State, will own it and will be able to remove all of it.
 - (b) Tax credits generally are designed to reduce the tax burden of certain groups by refunding a portion of taxes paid on purchases of essential items and services. Now it appears obvious that the revenue hit is going to be more than \$20 million, although possibly spread over several years. (emphasis provided)
 - (c) Furthermore, this, like any other subsidy, should be considered an expenditure of state funds. If the cost of this credit is going to be \$20 million, that would equate to \$20 million less revenue that otherwise would be available for education, homelessness, invasive species, or other causes that are priorities in the State. (emphasis provided)
- (4) The Chamber of Commerce of Hawaii submitted testimony in support of HB 591, HD 1, and HB 591, HD 1, SD 1, and makes this incredible awkward statement in support, '[t]he proposed changes to the definition of capital infrastructure costs will enable tenants to enlist the credit as originally intended by the legislature' (emphasis provided). I hope its members of about 1,600 businesses, and the approximately 80% of their members who are small business with

less than 20 employees learn about House Bill 591, House Draft 1, Senate Draft 2, Conference Draft 1. For, I am sure that not many of its members will benefit from this tax credit. And, as far as I recall, it was never the Legislature's intention to provide a special benefit to only one entity to the tune of \$20 million.

"I have also embedded herein the Honolulu Star-Advertiser article of May 4, 2014, entitled, 'Grants, tax credit benefit for-profit entities,' and Honolulu Star-Advertiser article of April 29, 2015, entitled, 'Tax credit might broaden for move by pier tenants.'

Honolulu Star-Advertiser, Hawaii News Section

Grants, tax credit benefit for-profit entities

By Derrick DePledge
May 4, 2014

Saddled with a lower state revenue forecast, state lawmakers said a polite "no" this session to tax relief for the poor and the elderly, tax credits for hotel construction or renovation, and tax breaks on manufacturing equipment.

For one private concern, though, the answer was "yes."

Pacific Marine, which owns Pacific Shipyards International, the state's largest private ship repair company, and subsidiaries Navatek Ltd. and Navatek Boat Builders did remarkably well at the Legislature.

The only new tax credit approved during the session would go to investors who help maritime tenants being relocated because of the new Kapalama Container Terminal at Honolulu Harbor, an incentive that was initially written for — and would still largely benefit — Pacific Shipyards International, which is being forced to move to other piers.

Investors could claim a tax credit equal to 50 percent of a tenant's capital infrastructure costs up to a maximum \$2.5 million a year in costs through 2019. The state Department of Taxation estimates that the tax credit could cost the state \$1.2 million a year per tenant.

In addition, Navatek Boat Builders was awarded a \$556,775 grant to design a watercraft that could help the state Department of Land and Natural Resources patrol in rough seas.

Navatek Ltd. was given a \$450,000 grant to survey high-risk areas for ocean recreation activity on the south shore of Oahu and assess whether regulations are adequate to protect public safety and minimize legal liability to the state. Lawmakers had awarded a \$250,000 grant to Navatek Ltd. last year to conduct similar surveys to identify safety and liability issues from new trends in ocean sports.

The grants to the private, for-profit companies stand out on this year's \$10 million grant-in-aid list, since grants typically go to nonprofits and other community groups that fill gaps in the state's social-services network.

Ann Chung, director of special projects for Pacific Marine, which is celebrating its 70th year in business this year, said the tax credit and the grants would benefit the public.

"We provide an excellent service that's really critical to the Honolulu Harbor and to the state, but we're being kicked out, along with a lot of other tenants," she said.

The state Department of Transportation's \$450 million Kapalama Container Terminal is a long-planned upgrade of the Kapalama military reservation at the harbor, federal land that shifted to the state in the 1990s. Dozens of businesses near the harbor are being relocated, but three tenants that need direct access to the waterfront — Pacific Shipyards International, Atlantis Submarines and the University of Hawaii Marine Center — had to find other piers.

Pacific Shipyards International and Atlantis Submarines are moving to piers that are predominantly vacant, according to the state's draft environmental impact statement, and Pacific Shipyards International might displace Sause Bros. through the move.

"We have to rebuild the whole thing," Chung said.

The Department of Transportation told lawmakers in March that Pacific Shipyards International — which, despite years of operation, has a month-to-month permit than can be canceled by the state on 30 days written notice — had several years of advance notice about the redevelopment project.

But many lawmakers think a tax credit for infrastructure costs is reasonable, since Pacific Shipyards International has to basically start over in the new

location. The improvements would help a shipyard with more than 200 workers and would be on state-owned piers, so the state could benefit.

"It's not like they have someplace else to go. They have to be on a pier, and the state owns all the piers," said Sen. Michelle Kidani (D, Mililani-Waikole-Kunia), a sponsor of the tax credit bill. "So they are basically having to depend on the state being willing to give them space, and the space they're giving them is unimproved."

The state Attorney General's Office had cautioned lawmakers in February that House Bill 1702 might be an unconstitutional violation of equal protection since it appeared to apply to a single ship repair company.

But lawmakers removed the reference to ship repair by the final draft of the bill, so other maritime firms, like Atlantis Submarines, an adventure tour company, and Sause Bros., an ocean towing company, would also potentially qualify.

Rep. Marcus Oshiro (D, Wahiawa-Whitmore-Poamoho), however, said he believes the bill still mostly benefits Pacific Shipyards International. Lawmakers also approved a resolution that authorizes a lease for the shipyard that covers a portion of state submerged lands at the new piers that will likely be used for drydock operations and ship repair. Such leases require prior approval by the governor and prior authorization by the Legislature.

When combined with the grants to Navatek Ltd. and Navatek Boat Builders, Oshiro said, Pacific Marine fared well compared with other interests that wanted help from the Legislature.

"They did very well," he said. "They did exceedingly well."

Pacific Marine, led by Steven Loui, the chairman, was one of the many Honolulu companies that prospered over the years from the late U.S. Sen. Daniel Inouye's success at steering federal money to the islands.

"In the past, Sen. Inouye helped Navatek with these kinds of issues," said House Majority Leader Scott Saiki (D, Downtown-Kakaako-McCully). "Now that he is unable to do so, the Legislature felt that there was a public purpose in providing this assistance."

This year, lawmakers received more than 230 grant applications totaling \$147 million, but approved only 55 awards for \$10 million. House Speaker Joseph Souki (D, Waihee-Waiehu-Wailuku), in his remarks Thursday on the closing day of session, highlighted the grants "for nonprofit organizations who reach out to the community with invaluable services."

Saiki said the grants to Navatek Ltd. and Navatek Boat Builders were justified. "In this case, we felt there was a public purpose because the service that they provide is of general benefit to the public," he said.

Honolulu Star-Advertiser, Hawaii News Section

Tax credit might broaden for move by pier tenants

By Kevin Dayton
April 29, 2015

A special tax credit established to help relocate maritime tenants on the Honolulu waterfront is poised to be expanded and sweetened in ways that some observers estimate could cost the state \$20 million in the years ahead.

With state lawmakers heading into the final days of the legislative session for this year, it remains uncertain how they might amend the tax credit law, but proposals have been floated to double the size of the credit that could be claimed by investors.

Supporters of House Bill 1167 and Senate Bill 676 have also asked lawmakers to expand the types of expenses that would qualify for the tax credit, which would make the credit easier to claim.

The tax credit was first approved by lawmakers last year, and is available to investors who finance the relocation of maritime tenants that are displaced by the state project to construct the new Kapalama Container Terminal at Honolulu Harbor. Only companies that are relocating to Piers 24 through 28 in Honolulu Harbor can qualify for the credit.

Leading the effort to expand the tax credit is Pacific Shipyards International, the state's largest private ship repair company, and its subsidiaries Navatek Ltd. and Navatek Boat Builders. Pacific Shipyards is being displaced by the Kapalama terminal construction and is relocating to Piers 24 and 25.

"I'll give them an 'A' for audacity," said state Rep. Marcus Oshiro, who was an outspoken opponent of the original tax credit last year.

Oshiro said lawmakers should reject any expansion of the credit, which he described as "special-interest legislation" that was "imprudently approved and endorsed by the current governor."

"Given the fiscal reality today and our inability to help the least among us, the poorest among us, who have gone years without any type of tax relief, I cannot stomach a bill like this being approved," he said.

Ann Chung, director of special projects for Navatek, said the original tax credit law that passed in 2014 and was signed into law by former Gov. Neil Abercrombie needed some "technical tweaking," which is why the shipbuilding firm returned to request changes from lawmakers this year. In particular, she said the wording that described the size of the credit was unclear.

"Some places said tax credit, some places said infrastructure cost and sometimes it wasn't very clear," Chung said. "It's just to clarify."

The original version of the bill introduced this year would have effectively doubled the maximum tax credit to up to \$2.5 million per year from \$1.25 million, but Chung said her company is not now asking for any increase in the dollar value of the credit.

"It was in the original draft, and it would have been nice but we're not supporting it now," Chung said.

But the state Department of Taxation says proposals submitted for lawmakers' consideration this year amount to "far more than a technical fix. The language both expands the property eligible for claiming the credit, and increases the amount of the credit," the department said in a written response to questions about the tax credit bills.

Chung testified to state lawmakers that Pacific Shipyards has operated a commercial ship repair facility in Honolulu Harbor for 70 years, and "our tax revenues and hundreds of high-paying jobs are important to Hawaii's economy, maritime community and port security."

Pacific Shipyards is being required to relocate from Pier 41 to a state-owned site at Piers 24 and 25, moving from an existing 45,000-square-foot facility to empty piers without necessary infrastructure.

"Supporting the displaced waterfront tenants of the Kapalama Container Terminal project supports the growth of commerce in the state and supports maritime jobs," Chung said in her testimony.

Also supporting proposals to amend the tax credit law this year is Roberts Hawaii Inc., which must move its tour boat operations from Pier 41 to make way for the state's Kapalama construction project.

Roberts currently does not qualify for the tax credit and is seeking changes in the law that would allow the company to qualify.

Currently the credit only applies to real property such as buildings and fixtures attached to real property, according to the Tax Department. However, the proposals now being considered by lawmakers would expand the credit to include any capital asset used in the business, which would include items such as machinery, computers, trailers, dry docks and tools, according to the Tax Department.

Tom Yamachika, president of The Tax Foundation of Hawaii, said the original tax credit bill approved last year seemed fair because it covered fixed assets that would stay with the property. Any permanent infrastructure that is installed by private tenants on the state-owned piers would become the property of the state when the tenants leave.

But the revised version now being considered would allow the credit to be used to offset the cost of purchasing machinery and equipment, Yamachika said.

Yamachika said that means the state is essentially helping to pay for equipment that the shipbuilder will own, and asked, "Why are we subsidizing their stuff?"

"There are lots of games being played to try to increase the amount of the credit quite dramatically," Yamachika said. "They are technical changes, but they have a lot of meaning."

The Tax Foundation warned lawmakers in testimony earlier this month that with the proposed changes in the tax credit law, "now it appears obvious that the revenue hit is going to be in excess of \$20 million, although possibly spread over a number of years."

Oshiro (D, Wahiawa-Whitmore-Poamoho) said the tax credit for Kapalama maritime tenants was the only new tax credit established in 2014 in a year lawmakers refused to provide tax credits that would have benefited the working poor, low-income renters or seniors.

Oshiro, who is a former House Finance chairman, also said he believes the tax credit changes lawmakers are now considering could eventually cost the state \$20 million in lost revenue.

That money would benefit the for-profit Pacific Shipyards, which already enjoys tax benefit under the existing state and federal tax codes, including the benefits of deductions and depreciation, he said.

"These folks need to be given credit where credit is due," Oshiro said of the supporters of the bill. "They've done a damn good job of lobbying and pitching their interests, and this is the textbook example of the finest lobbying effort I've seen in a long, long time."

Lawmakers are scheduled to meet in conference committee Wednesday to decide how to proceed with the tax credit proposals.

"House Bill 591, House Draft 1, Senate Draft 2, Conference Draft 1 is a short bill of only seven pages and three sections. If approved by the Governor, it will be effective upon approval.

"I sincerely hope that he will seriously consider the policy that would be established and maintained under his watch as the Governor of the State of Hawaii although he previously endorsed a similar tax credit in HB 1702 in 2014 and HB 1167 and SB 676 in 2015, as a Hawaii State Senator. Perhaps from the vantage point of the 'Fifth Floor' he will have a different perspective and use his veto power to correct a policy that looks like special interest legislation in violation of our Hawaii State Constitution and the law of the land set forth in the *Sierra Club v. Department of Transportation*, 120 Hawaii 181 (2009).

"For the foregoing reasons and previous remarks made, I respectfully oppose and stand against this bill."

Representative Say rose in support of 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 support of HB 591, HD 1, SD 2, CD 1, Relating to the Capital Infrastructure Tax Credit. This issue has been vetted for almost a decade, when past administrations developed an ambitious program for the redevelopment of Honolulu Harbor in reference to the NEW STATE HARBOR MASTER PLAN. It was part of a redevelopment plan for the Kapalama Container Yard, the Movement of PASHA to the Mauka side of Ahua Street, the reconfiguration of the Young Brothers open container yard, and other major capital improvement projects statewide.

"In this particular case, it dealt with the relocations of our present maritime business on Nimitz Highway to Sand Island or Keehi Lagoon as a future site for the businesses.

"The tax credit was offered to assist present business in Honolulu Harbor, whereby the credit could be used for structures, machinery, equipment and capital assets in the definition of capital infrastructure costs. There will be a CAP on the credit per taxable year for qualified tenants.

"It allows the State to recapture the credits if the qualified infrastructure tenant fails to relocate within a certain period of time after executing a lease with the Department of Transportation. There are safeguards in this draft that protects the State's interest in the tax credit. For those reasons above, I support HB 591, HD 1, SD 2, CD 1. 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. 591, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CAPITAL INFRASTRUCTURE TAX CREDIT," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Choy, Har and Oshiro voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 190 and H.B. No. 423, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 423, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT," passed Final

Reading by a vote of 47 ayes to 3 noes, with Representatives Choy, Oshiro and Thielen voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 193 and H.B. No. 1488, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1488, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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:

"I am speaking against final approval of HB 1488, HD 1, SD 1, CD 1, and will be voting 'no.'

"In so doing, please incorporate my previous remarks submitted on related medical marijuana legislation approved in 2015, (Act 241, Session Laws of Hawaii, 2015) and 2016 (Act 230, Session Laws of Hawaii, 2016). Act 241, 2015, is the enactment of HB 321 and the relevant portions of 2nd Reading, 3rd Reading, and Final Reading Floor Remarks can be found on pages 250-252 (Day 19), 362-367 (Day 25), 725-730 (Day 60), respectively. Likewise, Act 230, 2016, is the enactment of HB 2707 and the relevant portions of the Final Reading Floor Remarks can be found on pages, 707-708 (Day 59).

"This 'easy-to-follow' reference is to provide the reader, whether she or he is a historian, political scientist, researcher, or interested citizen of the context and circumstance of my objection and disapproval of HB 1488, HD 1, SD 1, and CD 1. It is important that thoughtful readers acknowledge that my objection, although similar in affect as others, may be seen as unique as I repeatedly offered an alternative policy for the safe and effective use of medical marijuana that would have Hawaii be a world leader in the production, research, and use of this medicinal plant, but with a triple-bottom line. That is, good for the environment, workers, patients, investors, and community. Moreover, none of my previous objections were levied at the community proponents of the measures who sincerely sought a non-pharmacological alternative form of treatment. Instead my concern and focus has been on the capitalistic and for-profit entrepreneurs that have taken over what was once a 'live and let live' policy of small legal backyard cultivation and consumption by the truly ill and sick. As is becoming more and more recognized, the 'Big Tobacco' of the 50s, 60s and 70s, has now returned as 'Big Marijuana' in second decade of the 21st Century. The thought that the Hawaii State Legislature is not only complicit in this expansion of corporate and business profiteering but actually engaged in the aggressive and punitive promotion of medical marijuana unlike any other locally derived, grown, or manufactured product, is radical and unbounded. How a relatively small group of advocates and commercial proponents from the Mainland have become so influential and engaged with Hawaii's Executive and Legislative branches foretells a dangerous condition for Hawaii's future. For when foreign influences and foreign money begin to erode the traditional values and norms of Hawaii and therein foist a new and untested or measured business and social norm, we are vulnerable to manipulation and exploitation.

"The measure should not be approved for the main following reasons:

"Increasing the number of marijuana plants from seven to ten plants at any stage of growth

"Because it is admitted by the Department of Health that it does not monitor or enforce the provisions of the law regarding plant quantity, increasing the number of plants that a patient or caregiver may possess from seven to ten is meaningless and offers no additional protection for illegal distribution or illegal sale and promotion as a drug. From 2000 to 2014, the maximum number of plants was three and seven. In 2012, the law was amended to allow a medical marijuana registry fund to pay for the program and transferred the medical marijuana program from the Department of Public Safety to the Department of Health.

"According to the State of Hawaii Department of Public Safety, between 2002 and 2015, only four Medical Marijuana Cards were revoked against the 13,000 issued. Hawaii will have the most generous law regarding plants

in the Nation under the Medical Marijuana regime and again, for a mere \$35.80 a patient may obtain a Medical Marijuana Card that provides de facto 'legalization' of medical marijuana for him or herself.

"The Procedures For Adding Qualifying Medical Conditions In Act 241, HRS 329, Should Be Followed"

"Much was said and made about a provision in 2015 that would allow the stakeholders to petition and seek additional diseases or medical conditions to the list of covered debilitating medical conditions.

"In fact, HRS 329-121 provides that '[a]ny other medical condition approved by the department of health pursuant to administrative rules in response to a request from a physician or advanced practice registered nurse or potentially qualifying patient.'

"Notwithstanding the repeated assurances of medical review and external review of medical reports and scientific studies, the Legislature has imposed its own judgement on what should be a medical decision and not a political one. We added on Post Traumatic Stress Disorder (PTSD) in 2016 and even contemplated adding on 'insomnia' and 'depression' and 'anxiety.' Again, all of these conditions were advanced without much medical or medical board or college of pharmacy expert advice or opinion. Interestingly, we added on PTSD in 2016 without any request from the Office of Veterans Affairs or even seeking advice from Tripler Army Medical Center. This year, 2017, the Legislature added the following:

- (1) Rheumatoid arthritis;
- (2) Lupus;
- (3) Epilepsy; and
- (4) Multiple sclerosis.

"Curiously, the public record reveals no affirmative request for these conditions. And prior House or Senate drafts did not indicate that these four conditions were under review or consideration. Making important and life altering health decisions without relevant expertise or medical guidance is audacious at best, or reckless and foolish at worst.

"Extension of Interim Rules to 2020 Is Not Transparent and Shuts Out Public Oversight"

"HB 1488, HD 1, SD 1, CD 1 amends HRS Section 329D-27 and extends the Department of Health's authority to adopt interim rules, exempt from Chapters 91 and Chapter 201 M, from July 1, 2018, to July 1, 2020. The bill also provides the Department of Health the authority to amend the interim rules and the amendments will be exempt from Chapters 91 and Chapter 201 M, and that the amended rules shall remain in effect until July 1, 2020. This means that from the enactment of the Medical Marijuana Dispensary law in 2015 and promulgation of rules, no public vetting or input has been made on these business and health regulations that have the effect of law. Under this bill, the public's right to know is steamrolled in the name of 'patient safety and need' and even consumer advocates have no seat at the table. The alarming truth is that the 'legislative oversight working group' propped up under Act 230, Session Laws of Hawaii, 2016, comprised of primarily industry lobbyist and business interest and financially vested parties are the proponents of any and all interim rules and amendments. Interestingly, the 'usual suspects' trumpeting good government transparency and openness have been conspicuously silent and indifferent. I guess, they opine on the necessity of open government and treatment when it best suits their interest or ideas. In the present case, it is alarming that so much regulatory power to write rules under the broad statutory provisions of Act 241 (2015) and Act 230 (2016), goes forward unchecked or without review by the citizens whose lives and communities will be touched by their hidden and secretive decisions. Where are the League of Women Voters and the ACLU when you need them? Where is Common Cause when the cause for public interest is so compelling and needed? Another textbook example of how one special business as a 'special interest' will be touched very well in recent years. Also, how our former good government advocates has lost their respected role and function in our democracy.

"Allowing the current eight (8) licensees an additional 2,000 plants at each production center is patently unfair"

"HB 1488, HD 1, SD 1, CD 1 provides in relevant part the following:

(k) Notwithstanding subsection (f) to the contrary, the department may determine whether dispensary licensees shall be allowed an additional two thousand marijuana plants at each of the licensee's production centers. In no case shall a licensee be allowed more than five thousand plants at a single production center. (emphasis provided)

"Under the present law, the eight (8) licensees are permitted to: (1) own and operate two (2) Production or 'grow' Centers and (2) own and operate two (2) Retail Dispensaries. There eight licenses are distributed as follows across the State: Kauai (1), Oahu (3), Maui (2) and Hawaii (2).

"This means that the current eight licensees have a license benefit—additional permit to grow 2,000 more plants per Production Facility or 5,000 plants for each license that were not available to prior applicants and may not be applicable to FUTURE applicants. In other words, the State of Hawaii is giving the current licensees, many of whom have not begun to grow any plants or disclose a time-line of building or even opening a production center or for retail dispensary, now received an advantage that the other 50 or so applicants were not offered when they prepared and submitted their applications and tended payment for the license applications. This is patently unfair and does great violation to any notions of a fair and impartial competitive system. Reminds me of the lucrative Las Vegas gaming licenses that are very valuable and a treasure to have in its own right.

"Furthermore, if we examine the records from the Department of Public Safety, 2015, and apply the zip code measuring methodology for the 'rural and underserved geographical area' the 'winners' will be those two (2) licensees on Hawaii Island.

Island	Patients	Not Growing	% Not Growing
Hawaii	5,415	12	0.0%
Maui	3,183	78	2.4%
Oahu	3,146	221	7.0%
Kauai	1,940	6	0.0%
Molokai	222	1	0.0%
Lanai	28	0	0.0%
Niihau	3	0	0.0%
TOTAL	13,937	318	2.23%

"At present, Hawaii Island is allocated two (2) licenses but if one would look at the number of card holders, it would appear that section (l) of HB 1488, HD 1, SD 1, CD 1 favors those two licensees over others. But, if the geographic limitation is also applied to Kauai, the one licensee would be able to provide more marijuana and become a monopoly under the present one-licensed statutory provision under Act 321.

"In short, the cleverness and ingenuity of the proponents have allowed the interested parties the ability to expand and hold onto market share even without turning a spade or setting up shop but merely seeking an expansion of present law in a manner and application that few in the public foresaw or even understand and comprehend. Please consider HB 1488, HD 1, SD 1, CD 1, as 'Exhibit A,' of how one special business as a 'special interest' has done very well in recent years. This deserves five stars.

"Allowing The Current Eight (8) Licensees An Additional Retail Dispensary Is Patently Unfair"

"HB 1488, HD 1, SD 1, CD 1 provides in relevant part the following:

(l) Notwithstanding any provision of subsection (g) to the contrary, the department may determine whether dispensary licensees shall be allowed one additional retail dispensing location per licensee...

"Again, this is the same issue and concern raised above regarding the additional 2,000 plants for each Production Center and the current eight (8) licensees. This means that while the current law allows each licensee the ability to open two (2) retail dispensaries, HB 1488, HD 1, SD 1, CD 1, allows the current licensee the prospects of having another retail dispensary. This without additional fee, or costs, or panel oversight but simple with the showing that 'the licensee has the capability to serve and supply medical marijuana to qualified patients in a rural or underserved geographical area

of a county.' The 'rural or underserved geographical area' is the same definition described above and is applicable to the several counties—Kauai, Oahu, Maui (Molokai and Lanai and Kahoolawe), and Hawaii. The audacity of this special business as a 'special interest' is simply audacious.

"Other Disturbing And Problematic Additions to the Hawaii Medical Marijuana Laws

"HB 1488, HD 1, SD 1, CD 1 also provides the following that I also object to:

"(1) Allowing an alternate, backup system for tracking and monitoring data related to dispensary sales. This one change may be the 'straw that breaks the camel's back' as we venture into loosening our purported tightly regulated and controlled scheme. The much bantered about 'Cole Memorandum' is simply a memorandum and the current attorney general can rescind and/or issue his own memorandum on the enforcement policies of the federal government.

"The Attorney General of the State of Hawaii has repeatedly stated in relevant part:

The proposed wording . . . raises concerns, because the alternate tracking system does not provide a means for actually tracking the sale of marijuana or manufactured marijuana products in real time if the Department's computer tracking system is not working properly, and may allow qualified patients to purchase marijuana or manufactured marijuana products in excess of statutory limits, which could increase the risk of possible diversion of marijuana and manufactured marijuana products. In order to maintain the robust regulatory scheme required by the U.S. Department of Justice (DOJ) Memorandum for All United States Attorneys dated August 29, 2013 (the Cole memo), we suggest that the wording creating an alternate tracking system be deleted.

(Testimony of the Dept. of the Attorney General, 29th Legislature, 2017, House Committee on Finance, February 23, 2017, 12:00 p.m.)

"Given this clear warning and word of caution the Legislature is set on passing HB 1488, HD 1, SD 1, CD 1, and risk the oversight and possible federal intervention into Hawaii's Medical Marijuana regulatory system and laws. I personally feel it is risky and puts at risk all the present users and their access to a medical and psychoactive active plant that has and is providing some physical and mental relief for its users. My greatest concern is that in our haste to beef up and ramp up this new industry we are putting at risk the non-commercial and non-profit home-based cultivation and use of medical marijuana by the legitimate and conscientious patient and caregiver. And, why we would make such a move without knowing completely how our new U.S. President Donald Trump's Administration will set policy on Medical Marijuana and direct Attorney General Sessions to do its bidding? In effect, we may be allowing for the 'throwing out the baby with the bath water.' And, for the sick and needy, that would be a shame.

"(2) Allowing qualifying patients to continue to obtain medical marijuana from a source other than a dispensary or by self-cultivation through December 31, 2023.

"During discussions during 2015, it was made clear that allowing for commercial cultivation and sale of marijuana would change the landscape of Hawaii forever more. Once Pandora's Box was opened it would not be readily closed or maybe could not ever be closed. One idea to curb the over-production and sale of illegal marijuana would be to gradually ramp down the home-grow as the dispensaries and retail dispensaries made available a safe and sound product for consumers. The idea being that current home-grown was inferior and may contain lethal toxins, pesticides, and other harmful material. The State of Colorado and others proved that continuation of home-grow even while retail stores were expanding would only allow for the greater expansion of the underground economy. This has been proven over and over again. Consequently, the commercial for-profit businesses will have to promote themselves and thereby become the new 'Big Tobacco' as 'Big Marijuana' or face competition from an unregulated but legally permitted home-grow medical marijuana patients and caregivers. We did

not have to follow this for-profit model. We could have taken some profit out by mandating only non-profit licensees and set price controls onto the prices of product. Other states have done this and the sky has not fallen. But, we settled on a traditional money and profit making scheme and as such we can expect the same activities and behavior. A review of the 2017 lobbyist list for the Medical Marijuana businesses suggest some resource investment that is on par with any retail or commercial regulated business. The best is hired and the best get the job done.

"As I have said repeatedly, 'the legal medical marijuana does not eliminate the black market but merely camouflages it.' By not allowing for the planned cessation of caregiver grows in 2018 and patient home-grow even when adequate supply of marijuana and marijuana products are readily available, the supply will increase and more and more marijuana, both legal medical marijuana and illegal marijuana, will be found on our school campuses, colleges, and work sites. The dumping down of our own people will be upon us soon and we must be prepared to increase our human services and health budgets as we try and prevent more addicts from being made and as we strive to save those addicts already here today.

"Final Thoughts on HB 1488, HD 1, SD 1, CD 1

"In close, as in my other comments made on similar measures, it is my sincere hope that none of these bad affects arise or appear in our communities. Maybe, I have been too suspicious and judgmental on the interests and motives that exist among stakeholders in this new industry in Hawaii. I hope so. But, it would have been of some consolation if we have had much more vigorous debate and discussion both in the committees and on the floor. It would be safe to guess that many do not know of these new specific terms and provisions nor have any idea of the dangers inherent therein. So, let me close with this thought and apologize to my colleagues and the citizens of Hawaii for not speaking up when the opportunity arose. I hope to not do so anymore should the opportunity arise.

"For the above reasons, I stand in opposition to HB 1488, HD 1, SD 1, CD 1, and cast a no vote."

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:

"My concern about this measure stems from my concern about security. While I appreciate the language that indicates the security videos will be held on to for 50 days, I feel that those surveillance videos should be held on to for at least a year. That time would allow for a careful look at the activity that goes on in the dispensaries and protect those that are coming in for medicinal purposes. This concern also has to do with the amount of money that will be held at the dispensaries. This could draw unnecessary attention and put individuals at risk. I also have concerns about our Federal Government not supporting this type of legislation. I question why we are disregarding federal law. We comply when we want and when we don't we blame the Federal Government. This legislation will be setting precedents."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1488, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Final Reading by a vote of 43 ayes to 7 noes, with Representative DeCoite voting aye with reservations, with Representatives Choy, Har, Kong, Oshiro, Tokioka, Tupola and Ward voting no, and with Representative Ichiyama being excused.

Conf. Com. Rep. No. 195 and H.B. No. 115, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 115, HD 1, SD 1, CD 1 pass Final 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 Nakamura 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 Nakamura's written remarks are as follows:

"I'm concerned that the transfer of roads in limbo to the City and County of Honolulu does not come with financial assistance. This creates an additional financial responsibility for the city and reflects an unfunded mandate, a policy I do not support."

At 5:55 o'clock p.m., Representative Evans requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:56 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. 115, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAYS," passed Final Reading by a vote of 50 ayes, with Representatives Nakamura and Say voting aye with reservations, and with Representative Ichiyama being excused.

At 6:00 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 116, HD 1, SD 1, CD 1
 H.B. No. 1179, HD 2, SD 2, CD 1
 H.B. No. 1022, HD 1, SD 2, CD 1
 H.B. No. 839, HD 1, SD 1, CD 1
 H.B. No. 847, HD 1, SD 1, CD 1
 H.B. No. 475, HD 1, SD 2, CD 1
 H.B. No. 591, HD 1, SD 2, CD 1
 H.B. No. 423, HD 2, SD 2, CD 1
 H.B. No. 1488, HD 1, SD 1, CD 1
 H.B. No. 115, HD 1, SD 1, CD 1

FINAL READING

Representative Saiki moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Evans and carried: (Representative Ichiyama was excused.)

H.B. No. 90, HD 1, (SD 2)
 H.B. No. 733, HD 1, (SD 2)
 H.B. No. 1230, HD 1, (SD 2)
 H.B. No. 1333, HD 1, (SD 1)

The Chair addressed the Clerk who announced that the record of votes for the appropriate measure had been received which indicated that the requisite number of House conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measure to the floor for final disposition.

FINAL READING

H.B. No. 90, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 90, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Morikawa, Belatti, Gates and Tupola). Noes, none. Excused, none.

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 90, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE NURSING FACILITY SUSTAINABILITY

PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

H.B. No. 733, HD 1, SD 2:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 733, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

H.B. No. 1230, HD 1, SD 2:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1230, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

H.B. No. 1333, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 1333, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO HONOKAA LAND COMPANY, LLC," passed Final Reading by a vote of 50 ayes, with Representative Ichiyama being excused.

At 6:02 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 90, HD 1, SD 2
 H.B. No. 733, HD 1, SD 2
 H.B. No. 1230, HD 1, SD 2
 H.B. No. 1333, HD 1, SD 1

At 6:02 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 6:04 o'clock p.m.

END OF CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 183 and H.B. No. 575, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 575, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

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

"Thank you, Mr. Speaker. It's very conflicting for me to vote with reservations on this bill because this bill will help to support the many lessees of public lands in Hilo and on the Big Island. But this bill at the end says that 'notwithstanding the lease restrictions established pursuant to section 171-36, the board may, without public auction, extend a public land lease that is issued to a school or government entity pursuant to section 171-95 beyond the sixty-five year maximum lease term. The authority established pursuant to this section to extend a lease shall not apply to any lease to the University of Hawaii of lands within a conservation district of which the University of Hawaii has subleased a portion for the purpose of constructing an astronomical observatory.'

"Mr. Speaker, this particular language speaks directly to the astronomy industry on the Big Island up on Mauna Kea. And this bill provides for all other government entities to be given the opportunity to extend the leases, except for the University of Hawaii up on Mauna Kea. And I don't know where this came out of, this was never discussed in this session as to

restricting leases on Mauna Kea from being extended in these types of bills, which we had a number of bills moving, both in the House and in the Senate.

"And we are talking about an industry that Hawaii Island and Hilo is very dependent upon to provide high paying jobs for our community. We have engaged with companies, businesses that are not only US but also foreign countries. And this bill now would require the University of Hawaii to be put into a position where once their master lease ends they will have to go before the Board of Land and Natural Resources and go through the whole vetting process of getting a new permit, something that this bill exempts other government entities from doing. With that, Mr. Speaker, I vote with reservations."

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

"Mr. Speaker, in opposition. I really thank the speaker from the Big Island for the elucidation on what the real meaning of this is. Because Mr. Speaker, earlier I started with the notion that darkness is a natural resource and if there's a natural resource where darkness is, it's Mauna Kea. And if this Mauna Kea lease is not being extended, we're cutting our nose to spite our face.

"So Mr. Speaker, I cannot see to logic of this, why you would cut off the world's most preeminent place on the earth for astronomy. Something is beneath the surface here. Something is gurgling up. Something is needing to be, how would you say, sunlight is the best disinfectant, and this thing really needs to get some sunlight on it because it doesn't pass the smell test. Thank you, Mr. Speaker."

At 6:09 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 6:11 o'clock p.m.

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

"Thank you, Mr. Speaker. I'm rising to speak against the measure. Mine is different from the prior speakers. I'm taking a look at the way that our law presently relates to public lands, and currently public land leases are statutorily limited to 65 years. There's a reason for that Mr. Speaker, because if they're easily extended beyond that, it makes it almost like the lessee has the land in fee simple, and we don't have the next generations being able to come in and say, I have a better use for this, or I'd like to expand the use and do xyz. It really takes away the competition.

"So I know there are problems on the Big Island, I think it's Banyan Drive that's been really a problematic area, and there is another area over there too, I think sort of an industrial park. But this bill becomes a statewide measure, and I don't think it's good public policy, so I am voting no. It's not to do with the observatory, it's that a 65-year term means 65 years. That's really a long period of time to develop your property and do what you want to do with it. Otherwise, put it out for sale. But don't change our policy where new people can come in, next generations, and do something else with the public land. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, in continued opposition to clarify that this is in effect about the TMT, it is in effect about Mauna Kea. The lease that University of Hawaii has now expires in 2032, that's 15 years. All of us who have gone to the bank know that when you borrow money for a business, you've got to have a lease for your retail outlet, like I had at Waikiki for 15 years. If your lease was not long enough to pay back the loan, you never got the lease.

"If you're going to give the TMT contract, the huge Thirty Meter Telescope to Hawaii, and you had a 15-year lease left, these international scholars are not foolish. If you follow the money and you follow the lease here, this is a poison pill for the TMT. I apologize to my college from Kailua, but it's pure and simple, the poison pill is on page, whatever page is in the back of it.

"Mr. Speaker, for those of us who believe that the Hawaiian navigators in the beginning created from the beginning navigation, when the westerners, the Europeans thought that if you sailed then you would fall off the earth, the Hawaiians, the Polynesians sailed on. They were the progenitors of exploration. The TMT is one of those extensions of the Hawaiian voyagers. This bill says, go back Hawaiians, go back TMT, go back Mauna Kea, go back from being the first in the world in astronomy to being the last in the world because you at the Legislature cut out the lease for those people to progress. If you're going to put all the \$2 or \$3 billion in there to build up the TMT, you've got to have more than a 15-year lease, Mr. Speaker. In fact, you probably need at least a 65-year lease with an extension.

"All of those income-paying observatories up there have their leases expire. Do we want to just basically take apart what we've created over the last 34 years? I think Governor Burns and Senator Inouye and all the others would roll over in their grave if they knew what we were talking about. Mr. Speaker, this is a very serious bill which does not deserve passage. Thank you."

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

"In support. Unlike the recommitted bill, HB 1469, which I believe the other references have been made to, this bill just basically allows the lessees to renegotiate their lease as soon as there is 10 more years left. It's a benign bill. And I understand the concerns of my fellow colleague of the Big Island also, that it made an exception for Mauna Kea.

"But this bill, we have problems on the Big Island, on the east side. And specifically the development or the lack of development really, the decaying development that this bill I believe is focusing on, which is the industrial area. Allowing them to renegotiate their lease is not a bad thing. Thank you."

Representative Nakamura 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. 575, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 45 ayes to 4 noes, with Representatives Nakamura and Onishi voting aye with reservations, with Representatives McDermott, Quinlan, Thielen and Ward voting no, and with Representatives Ichiyama and Tupola being excused.

At 6:18 o'clock p.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 575, HD 1, SD 1, CD 1

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

Representative Saiki moved to agree to the amendments made by the Senate to the following House Concurrent Resolutions, seconded by Representative Evans and carried: (Representatives Ichiyama and Tupola were excused.)

H.C.R. No. 26, (SD 1)
H.C.R. No. 27, (SD 1)
H.C.R. No. 35, HD 1, (SD 1)
H.C.R. No. 56, (SD 1)
H.C.R. No. 60, (SD 1)
H.C.R. No. 78, HD 1, (SD 1)
H.C.R. No. 97, (SD 1)
H.C.R. No. 104, (SD 1)
H.C.R. No. 105, (SD 1)
H.C.R. No. 148, (SD 1)
H.C.R. No. 152, (SD 1)
H.C.R. No. 153, HD 1, (SD 1)
H.C.R. No. 164, (SD 1)

At 6:20 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 6:21 o'clock p.m.

H.C.R. No. 26, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 26, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE AMENDMENT OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT KAILUA, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL AND BOAT RAMP, AND FOR THE USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 27, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 27, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT WAIMANALO, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING PIER, AND FOR USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 35, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 35, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII CENTER ON AGING TO CONVENE A TASK FORCE TO ASSESS CURRENT ELDER AND KUPUNA CARE SERVICES AND THE ANTICIPATED DEMAND FOR THOSE SERVICES IN ORDER TO IMPROVE THOSE SERVICES AND MEET ANTICIPATED DEMAND," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 56, SD 1:

Representative Saiki moved that H.C.R. No. 56, SD 1 be Adopted, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and H.C.R. No. 56, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF THE ATTORNEY GENERAL TO CONDUCT A STUDY ON SURROGACY AND GESTATIONAL CARRIER AGREEMENTS," was Adopted, with Representative McDermott voting no, and with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 60, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 60, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE AMENDMENT OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT MAUNALUA, HONOLULU, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING CHANNEL, CONCRETE SURGE BREAK OR BREAKWATER, SEAWALL, STEP, AND FILLED LAND, AND FOR USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 78, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 78, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT KANEOHE, KOOLAUPOKO, OAHU, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING PIER, AND FOR USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 97, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 97, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT, COVERING A PORTION OF STATE SUBMERGED AND RECLAIMED (FILLED) LANDS AT KUAU, MAKAWAO, PAIA, MAUI, FOR MAINTENANCE AND REPAIRS OF THE EXISTING ROCK WALLS, REVETMENTS, STAIRWAY, AND LAWN OVER, UNDER, AND ACROSS STATE-OWNED LAND," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 104, SD 1:

Representative Saiki moved that H.C.R. No. 104, SD 1 be Adopted, seconded by Representative Evans.

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

"Mr. Speaker, 104, regarding the indigenous rights of the North Dakota entity. Mr. Speaker, given that this is a last minute discussion, I am going to assume that in all good intentions, this is for the betterment of the North Dakota Indian tribes, the American Indian tribes. However, for the sake of the American economy and the oil, and the Keystone Pipeline, which subtly indirectly pointedly probably tangentially is suggesting is a bad idea, I disagree with it. That is why I would request a no vote.

"We are going to be the Saudi Arabia of the world when we put to use all of our oil reserves, and one of those is in North Dakota, Mr. Speaker. For those reasons, this is a job issue, it is not a culture issue. Thank you."

The motion was put to vote by the Chair and carried, and H.C.R. No. 104, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION EXPRESSING THE SUPPORT OF THE STATE OF HAWAII FOR THE RIGHTS OF THE INDIGENOUS PEOPLE OF NORTH DAKOTA TO PRESERVE THEIR CULTURAL HERITAGE AND ACCESS TO CLEAN WATER," was Adopted, with Representative Ward voting no, and with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 105, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 105, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO REPORT TO THE LEGISLATURE ON ITS EFFORTS TO ADDRESS ISSUES RELATED TO THE VOCATIONAL REHABILITATION UNIT IN ITS DISABILITY COMPENSATION DIVISION," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 148, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 148, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A WORKING GROUP TO EXAMINE AND DEVELOP RECOMMENDATIONS TO ADDRESS THE ISSUE OF SQUATTING IN THE STATE," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 152, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 152, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A FIFTY-FIVE YEAR TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS AT WAIPOULI, KAWAIHAU, KAUAI, FOR THE MAINTENANCE AND REPAIR OF THE EXISTING SEAWALL, AND FOR THE USE, REPAIR, AND MAINTENANCE OF THE EXISTING IMPROVEMENTS CONSTRUCTED THEREON," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 153, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 153, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION RECOGNIZING APRIL 15 THROUGH APRIL 22, 2018, AS VOLUNTEER WEEK IN THE STATE OF HAWAII," was Adopted, with Representatives Ichiyama and Tupola being excused.

H.C.R. No. 164, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.C.R. No. 164, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THAT THE DIRECTOR OF HEALTH ESTABLISH AND CONVENE A MEDICATION SYNCHRONIZATION WORKING GROUP TO EXPLORE AND PROPOSE LEGISLATION," was Adopted, with Representatives Ichiyama and Tupola being excused.

ANNOUNCEMENTS

Representative McDermott: "Yesterday was the 49th wedding anniversary of our colleague, Representative Cachola. Let's give him a big hand."

Representative Evans: "Mr. Speaker, I just have to say, for someone who has been standing and sitting back in these chairs, I am very grateful that we are going to replace these chairs, because they are very uncomfortable. They are 30 years old I am told, so very grateful. Thank you."

Representative Ward: "Mr. Speaker, I second the sticky motion of these chairs."

ADJOURNMENT

At 6:27 o'clock p.m., on motion by Representative Evans, seconded by Representative Ward and carried, the House of Representatives adjourned until 1:00 o'clock p.m. Thursday, May 4, 2017. (Representatives Ichiyama and Tupola were excused.)

HOUSE COMMUNICATIONS

House Communication dated May 3, 2017, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that on May 2, 2017, the House agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

- H.B. No. 90, HD 1, SD 2
- H.B. No. 733, HD 1, SD 2
- H.B. No. 1230, HD 1, SD 2
- H.B. No. 1333, HD 1, SD 1

House Communication dated May 3, 2017, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and

Members of the Senate, informing the Senate that on May 2, 2017, the House passed the following bills on Final Reading:

- H.B. No. 2, HD 2, SD 1, CD 1
- H.B. No. 50, HD 3, SD 2, CD 1
- H.B. No. 73, HD 1, SD 1, CD 1
- H.B. No. 83, HD 1, SD 2, CD 1
- H.B. No. 89, HD 1, SD 1, CD 1
- H.B. No. 100, HD 1, SD 1, CD 1
- H.B. No. 110, HD 1, SD 2, CD 1
- H.B. No. 115, HD 1, SD 1, CD 1
- H.B. No. 116, HD 1, SD 1, CD 1
- H.B. No. 143, SD 1, CD 1
- H.B. No. 144, HD 1, SD 1, CD 1
- H.B. No. 165, HD 1, SD 2, CD 1
- H.B. No. 186, HD 1, SD 2, CD 1
- H.B. No. 192, HD 2, SD 1, CD 1
- H.B. No. 208, HD 2, SD 2, CD 1
- H.B. No. 209, HD 1, SD 1, CD 1
- H.B. No. 213, HD 1, SD 1, CD 1
- H.B. No. 235, HD 1, SD 1, CD 1
- H.B. No. 239, HD 2, SD 1, CD 1
- H.B. No. 279, HD 1, SD 1, CD 1
- H.B. No. 280, HD 1, SD 1, CD 1
- H.B. No. 281, HD 1, SD 1, CD 1
- H.B. No. 282, HD 1, SD 1, CD 1
- H.B. No. 301, HD 1, SD 1, CD 1
- H.B. No. 306, HD 2, SD 2, CD 1
- H.B. No. 335, HD 2, SD 1, CD 1
- H.B. No. 375, HD 1, SD 1, CD 1
- H.B. No. 423, HD 2, SD 2, CD 1
- H.B. No. 425, HD 1, SD 3, CD 1
- H.B. No. 427, HD 2, SD 1, CD 1
- H.B. No. 428, HD 1, SD 1, CD 1
- H.B. No. 451, HD 1, SD 2, CD 1
- H.B. No. 453, HD 1, SD 1, CD 1
- H.B. No. 459, HD 1, SD 1, CD 1
- H.B. No. 471, HD 1, SD 1, CD 1
- H.B. No. 475, HD 1, SD 2, CD 1
- H.B. No. 478, HD 1, SD 1, CD 1
- H.B. No. 498, HD 1, SD 1, CD 1
- H.B. No. 508, HD 1, SD 1, CD 1
- H.B. No. 511, HD 1, SD 1, CD 1
- H.B. No. 523, SD 1, CD 1
- H.B. No. 530, HD 2, SD 2, CD 1
- H.B. No. 552, HD 1, SD 2, CD 1
- H.B. No. 554, HD 1, SD 2, CD 1
- H.B. No. 558, HD 1, SD 1, CD 1
- H.B. No. 561, HD 2, SD 1, CD 1
- H.B. No. 571, HD 1, SD 1, CD 1
- H.B. No. 575, HD 1, SD 1, CD 1
- H.B. No. 591, HD 1, SD 2, CD 1
- H.B. No. 606, HD 2, SD 2, CD 1
- H.B. No. 607, HD 1, SD 2, CD 1
- H.B. No. 615, HD 1, SD 1, CD 1
- H.B. No. 627, HD 2, SD 2, CD 1
- H.B. No. 632, HD 1, SD 1, CD 1
- H.B. No. 633, HD 1, SD 1, CD 1
- H.B. No. 637, HD 2, SD 2, CD 1
- H.B. No. 655, HD 1, SD 1, CD 1
- H.B. No. 674, HD 2, SD 2, CD 1
- H.B. No. 727, HD 1, SD 2, CD 1
- H.B. No. 735, HD 2, SD 2, CD 1
- H.B. No. 794, HD 1, SD 2, CD 1
- H.B. No. 839, HD 1, SD 1, CD 1
- H.B. No. 845, HD 2, SD 2, CD 1
- H.B. No. 847, HD 1, SD 1, CD 1
- H.B. No. 852, HD 2, SD 1, CD 1
- H.B. No. 880, HD 1, SD 2, CD 1
- H.B. No. 916, HD 1, SD 2, CD 1
- H.B. No. 937, HD 1, SD 1, CD 1
- H.B. No. 942, HD 1, SD 1, CD 1
- H.B. No. 957, HD 1, SD 2, CD 1

H.B. No. 997, HD 2, SD 2, CD 1
 H.B. No. 1009, HD 3, SD 1, CD 1
 H.B. No. 1022, HD 1, SD 2, CD 1
 H.B. No. 1031, HD 1, SD 1, CD 1
 H.B. No. 1033, HD 1, SD 1, CD 1
 H.B. No. 1044, HD 1, SD 2, CD 1
 H.B. No. 1098, HD 2, SD 1, CD 1
 H.B. No. 1099, HD 1, SD 2, CD 1
 H.B. No. 1114, HD 1, SD 2, CD 1
 H.B. No. 1115, HD 1, SD 1, CD 1
 H.B. No. 1129, HD 1, SD 1, CD 1
 H.B. No. 1130, HD 1, SD 1, CD 1
 H.B. No. 1135, HD 1, SD 2, CD 1
 H.B. No. 1152, HD 1, SD 2, CD 1
 H.B. No. 1179, HD 2, SD 2, CD 1
 H.B. No. 1231, HD 1, SD 1, CD 1
 H.B. No. 1235, HD 1, SD 1, CD 1
 H.B. No. 1244, HD 1, SD 2, CD 1
 H.B. No. 1246, HD 2, SD 2, CD 1
 H.B. No. 1258, HD 2, SD 2, CD 1
 H.B. No. 1325, HD 1, SD 1, CD 1
 H.B. No. 1351, HD 1, SD 2, CD 1
 H.B. No. 1382, HD 1, SD 1, CD 1
 H.B. No. 1396, HD 2, SD 2, CD 1
 H.B. No. 1414, HD 1, SD 1, CD 1
 H.B. No. 1420, HD 1, SD 1, CD 1
 H.B. No. 1436, HD 2, SD 1, CD 1
 H.B. No. 1444, HD 2, SD 2, CD 1
 H.B. No. 1465, HD 2, SD 2, CD 1
 H.B. No. 1475, HD 2, SD 2, CD 1
 H.B. No. 1488, HD 1, SD 1, CD 1
 H.B. No. 1498, HD 1, SD 1, CD 1
 H.B. No. 1501, HD 2, SD 1, CD 1
 H.B. No. 1516, HD 1, SD 1, CD 1
 H.B. No. 1578, HD 1, SD 2, CD 1
 H.B. No. 1588, HD 1, SD 1, CD 1
 S.B. No. 26, SD 1, HD 1, CD 1
 S.B. No. 99, SD 1, HD 1, CD 1
 S.B. No. 100, SD 2, HD 1, CD 1
 S.B. No. 102, HD 1, CD 1
 S.B. No. 119, SD 1, HD 1, CD 1
 S.B. No. 149, HD 1, CD 1
 S.B. No. 207, SD 2, HD 2, CD 1
 S.B. No. 288, SD 2, HD 2, CD 1
 S.B. No. 292, SD 1, HD 1, CD 1
 S.B. No. 314, SD 1, HD 1, CD 1
 S.B. No. 322, SD 1, HD 1, CD 1
 S.B. No. 339, SD 1, HD 1, CD 1
 S.B. No. 369, SD 1, HD 1, CD 1
 S.B. No. 376, SD 1, HD 1, CD 1
 S.B. No. 387, SD 1, HD 1, CD 1
 S.B. No. 396, SD 1, HD 1, CD 1
 S.B. No. 407, SD 1, HD 1, CD 1
 S.B. No. 423, SD 1, HD 1, CD 1
 S.B. No. 469, SD 2, HD 1, CD 1
 S.B. No. 488, SD 1, HD 1, CD 1
 S.B. No. 491, SD 1, HD 1, CD 1
 S.B. No. 501, SD 1, HD 2, CD 1
 S.B. No. 505, SD 1, HD 2, CD 1
 S.B. No. 513, SD 1, HD 2, CD 1
 S.B. No. 514, SD 1, HD 1, CD 1
 S.B. No. 545, SD 2, HD 1, CD 1
 S.B. No. 559, SD 1, HD 2, CD 1
 S.B. No. 572, SD 1, HD 1, CD 1
 S.B. No. 584, SD 1, HD 1, CD 1
 S.B. No. 609, HD 1, CD 1
 S.B. No. 611, SD 1, HD 2, CD 1
 S.B. No. 655, SD 2, HD 2, CD 1
 S.B. No. 712, HD 1, CD 1
 S.B. No. 713, SD 1, HD 1, CD 1
 S.B. No. 718, SD 1, HD 1, CD 1
 S.B. No. 722, SD 1, HD 1, CD 1
 S.B. No. 724, HD 1, CD 1

S.B. No. 773, SD 2, HD 1, CD 1
 S.B. No. 786, SD 1, HD 1, CD 1
 S.B. No. 808, SD 1, HD 1, CD 1
 S.B. No. 850, HD 2, CD 1
 S.B. No. 859, SD 1, HD 1, CD 1
 S.B. No. 865, SD 1, HD 1, CD 1
 S.B. No. 885, SD 2, HD 2, CD 1
 S.B. No. 895, SD 1, HD 2, CD 1
 S.B. No. 900, SD 1, HD 1, CD 1
 S.B. No. 902, SD 1, HD 1, CD 1
 S.B. No. 908, SD 1, HD 2, CD 1
 S.B. No. 911, SD 1, HD 1, CD 1
 S.B. No. 914, SD 1, HD 1, CD 1
 S.B. No. 915, SD 1, HD 1, CD 1
 S.B. No. 917, SD 1, HD 1, CD 1
 S.B. No. 918, SD 1, HD 1, CD 1
 S.B. No. 919, SD 1, HD 1, CD 1
 S.B. No. 923, SD 1, HD 1, CD 1
 S.B. No. 926, SD 1, HD 1, CD 1
 S.B. No. 930, SD 2, HD 1, CD 1
 S.B. No. 935, SD 2, HD 1, CD 1
 S.B. No. 936, SD 2, HD 1, CD 1
 S.B. No. 941, HD 1, CD 1
 S.B. No. 946, SD 1, HD 1, CD 1
 S.B. No. 947, SD 2, HD 1, CD 1
 S.B. No. 948, HD 1, CD 1
 S.B. No. 949, SD 1, HD 1, CD 1
 S.B. No. 950, SD 2, HD 1, CD 1
 S.B. No. 951, SD 2, HD 1, CD 1
 S.B. No. 952, SD 1, HD 1, CD 1
 S.B. No. 953, SD 2, HD 1, CD 1
 S.B. No. 976, HD 1, CD 1
 S.B. No. 984, HD 1, CD 1
 S.B. No. 992, SD 2, HD 1, CD 1
 S.B. No. 997, SD 1, HD 2, CD 1
 S.B. No. 1006, SD 1, HD 1, CD 1
 S.B. No. 1016, SD 1, HD 1, CD 1
 S.B. No. 1073, SD 1, HD 1, CD 1
 S.B. No. 1074, SD 1, HD 1, CD 1
 S.B. No. 1171, SD 1, HD 1, CD 1
 S.B. No. 1227, HD 2, CD 1
 S.B. No. 1240, SD 2, HD 1, CD 1
 S.B. No. 1244, SD 2, HD 2, CD 1
 S.B. No. 1264, SD 1, HD 2, CD 1
 S.B. No. 1286, SD 2, HD 2, CD 1

House Communication dated May 3, 2017, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that on May 2, 2017, the House agreed to the amendments made by the Senate and adopted the following House Concurrent Resolutions:

H.C.R. No. 26, SD 1
 H.C.R. No. 27, SD 1
 H.C.R. No. 35, HD 1, SD 1
 H.C.R. No. 56, SD 1
 H.C.R. No. 60, SD 1
 H.C.R. No. 78, HD 1, SD 1
 H.C.R. No. 97, SD 1
 H.C.R. No. 104, SD 1
 H.C.R. No. 105, SD 1
 H.C.R. No. 148, SD 1
 H.C.R. No. 152, SD 1
 H.C.R. No. 153, HD 1, SD 1
 H.C.R. No. 164, SD 1