

## TWENTY-SECOND DAY

## Wednesday, February 21, 2018

The House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018, convened at 12:03 o'clock p.m., with Speaker Saiki presiding.

The invocation was delivered by Mr. Robert Henscham, after which the Roll was called showing all Members present with the exception of Representative Yamane, who was excused.

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

## GOVERNOR'S MESSAGES

The following message from the Governor (Gov. Msg. No. 1101) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 1101, informing the House that on February 20, 2018, the following bill was signed into law:

H.B. No. 2600, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION." (ACT 001)

## SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 27 through 29) were received and announced by the Clerk:

Sen. Com. No. 27, transmitting S.B. No. 2055, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXECUTIVE BRANCH," which passed Third Reading in the Senate on February 20, 2018.

Sen. Com. No. 28, transmitting S.B. No. 2712, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," which passed Third Reading in the Senate on February 20, 2018.

Sen. Com. No. 29, transmitting S.B. No. 2823, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX ADMINISTRATION," which passed Third Reading in the Senate on February 20, 2018.

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

S.B. No. 2055, SD 1  
S.B. No. 2712, SD 1  
S.B. No. 2823, SD 1

## DEPARTMENTAL COMMUNICATIONS

The following departmental communications (Dept. Com. Nos. 325 through 339) were received by the Clerk and were placed on file:

Dept. Com. No. 325, from the University of Hawaii System, dated January 23, 2018, transmitting the Report on a Coordinated Framework of Support for Preschool and Post-Secondary Agriculture Education, pursuant to S.R. No. 80 (2015).

Dept. Com. No. 326, from the University of Hawaii System, dated January 24, 2018, transmitting a position report, pursuant to Act 49, Section 96, SLH 2017.

Dept. Com. No. 327, from the Department of Education, dated January 24, 2018, transmitting the Report on Restraint and Seclusion, pursuant to Section 302A-1141.4, HRS.

Dept. Com. No. 328, from the Department of Business, Economic Development & Tourism, dated January 29, 2018, transmitting its 2017 Annual Report, pursuant to Section 201-10, HRS.

Dept. Com. No. 329, from the Department of Public Safety, dated January 31, 2018, transmitting the Special Duty for Deputy Sheriffs Report, pursuant to Act 75, SLH 2017.

Dept. Com. No. 330, from the University of Hawaii System, dated January 31, 2018, transmitting a position report, pursuant to Act 49, Section 96, SLH 2017.

Dept. Com. No. 331, from the Department of Business, Economic Development & Tourism, dated February 1, 2018, transmitting the Report on the Creative Lab Hawaii Program, pursuant to Act 124, SLH 2016.

Dept. Com. No. 332, from the Office of the Auditor, dated February 1, 2018, transmitting the Financial and Compliance Audit Report of Department of Hawaiian Home Lands for the fiscal year ending June 30, 2017, pursuant to Article VII, Section 10 of the State Constitution, and as authorized by Chapter 23, HRS.

Dept. Com. No. 333, from the University of Hawaii System, dated February 2, 2018, transmitting the 2017 Annual Report of the Research Corporation of the University of Hawaii, pursuant to Section 304A-3007, HRS.

Dept. Com. No. 334, from the Legislative Reference Bureau, dated January 25, 2018, transmitting the Report of the Affordable Health Insurance Working Group, pursuant to Act 43, SLH 2017.

Dept. Com. No. 335, from the Department of Accounting and General Services, dated February 1, 2018, transmitting the Hawaii State Foundation on Culture and the Arts 2017 Annual Report, pursuant to Section 9-3(8), HRS.

Dept. Com. No. 336, from the Office of the Auditor, dated February 6, 2018, transmitting the Financial Audit of the Department of Transportation, Harbors Division, for the fiscal year ending June 30, 2017, pursuant to Article VII, Section 10 of the State Constitution, and as authorized by Chapter 23, HRS.

Dept. Com. No. 337, from the University of Hawaii System, dated February 7, 2018, transmitting a position report, pursuant to Act 49, Section 96, SLH 2017.

Dept. Com. No. 338, from the Office of the Auditor, dated February 9, 2018, transmitting the Financial Audit of the State of Hawaii Comprehensive Annual Financial Report for the fiscal year ending June 30, 2017.

Dept. Com. No. 339, from the Office of the Auditor, dated February 13, 2018, transmitting Report No. 18-03, Audit of the Office of Hawaiian Affairs, pursuant to Section 10-14.55, HRS.

## INTRODUCTIONS

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

Representative Ward, on behalf of the Small Business Caucus, introduced visitors from Busan, South Korea: from Jangheung County: Samsup Wi, Vice Mayor; Sindae Kang, Section Chief; and Seunggyu, Manager; from Jeonnam Development Corporation: Joosik Yoon, Head of Operations; Daejun Kim, Head of Department; and Seungmin Lee, Section Chief; from Lamplighter Energy: Buksung Chang, Director of Asean; from KVA:

Changyong Park, CEO; and from ES ADDUP: Heungyoul Cho, CEO; Pansoo Kim, Director; Cindy Liu, Chairman; and Carl Hwang, Adviser.

At 12:11 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:51 o'clock p.m.

### ORDER OF THE DAY

#### SUSPENSION OF RULES

On motion by Representative Morikawa, seconded by Representative Ward and carried, the rules were suspended for the purpose of considering certain House Bills for Third Reading by consent calendar. (Representatives Cachola, Quinlan, Yamane and Yamashita were excused.)

#### THIRD READING

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 761-18) recommending that H.B. No. 1757, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1757, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COFFEE LABELING," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 762-18) recommending that H.B. No. 2105, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2105, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 763-18) recommending that H.B. No. 2306, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2306, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 764-18) recommending that H.B. No. 1958, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1958, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 765-18) recommending that H.B. No. 1962, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1962, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MANUFACTURING," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 766-18) recommending that H.B. No. 1969, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1969, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FOOD SUSTAINABILITY," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 767-18) recommending that H.B. No. 2080, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2080, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY DEVELOPMENT," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 768-18) recommending that H.B. No. 2084, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2084, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 769-18) recommending that H.B. No. 2174, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2174, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 770-18) recommending that H.B. No. 2333, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2333, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 771-18) recommending that H.B. No. 2556, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2556, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INNOVATION BUSINESS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 772-18) recommending that H.B. No. 2557, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2557, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR

EXPLORATION SYSTEMS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 773-18) recommending that H.B. No. 2559, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2559, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SPINLAUNCH," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 774-18) recommending that H.B. No. 2358, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2358, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 775-18) recommending that H.B. No. 1646, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1646, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEMBERS OF CONGRESS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 776-18) recommending that H.B. No. 1770, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1770, HD 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 Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 777-18) recommending that H.B. No. 1774, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 1774, HD 1 pass Third Reading, seconded by Representative Morikawa.

Representative Takayama 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 Takayama's written remarks are as follows:

"Mr. Speaker, I rise to support, with reservations, H.B. 1774, HD 1, relating to collection of restitution for crime victims. As the title implies, this measure is a well-intended proposal to assist crime victims in receiving court-ordered restitution.

"My concerns arise from the legal burden this measure places on employers of former offenders to collect and monitor their restitution payments. This may result in employers choosing to fire or simply not hire someone because of the burden of becoming a collection agent for the State. This will add to the many obstacles already faced by former offenders trying to become productive citizens.

"Last year the Legislature enacted Act 77, giving court-ordered restitution the same legal status as child support payments, enforceable as civil judgements. This law allows cash bail and state income tax returns to be applied towards restitution payments. We should fully implement these new enforcement tools before enacting a measure with potential to adversely affect employers.

"Also, the Attorney General's Office has expressed concerns over the added personnel and resources that would be needed to implement this measure, and over the coordination required with the Judiciary to enforce withholding orders. Prior versions of this measure would have placed responsibility with the Judiciary, which currently has primary responsibility for collecting and distributing restitution.

"For these reasons, I am voting with reservations on H.B. 1774, HD 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1774, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTION OF RESTITUTION FOR CRIME VICTIMS," passed Third Reading by a vote of 50 ayes, with Representative Takayama voting aye with reservations, and with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 778-18) recommending that H.B. No. 2177, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2177, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY BEAUTIFICATION," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 779-18) recommending that H.B. No. 1944, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 1944, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"I'm in support. I wanted to just note for the record that as chair of the committee, I did note that I saw the Auditor's report that this bill does not meet the criteria for special funds, and I would just hope that the Senate, if they take it up, correct that in committee. That's all, 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. 1944, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FILIPINO VETERANS BURIAL ASSISTANCE," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 780-18) recommending that H.B. No. 2181, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2181, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PEARL HARBOR REMEMBRANCE DAY," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 781-18) recommending that H.B. No. 1987, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 1987, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"In strong support with written comments for 781."

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB 1987, HD 1, Relating to Streams.

"A five-year study on streamflow in Hawaii will prove to be extremely important for the life of our ecosystem. The fresh, clear, clean water of our streams supports so many aspects of the environment, including the watershed areas, rainforest, dams, reservoirs, intakes, ditches, and irrigation systems for agricultural industries. A study like this will provide the State with the tools to address global warming and climate change, and other issues with similar environmental impact.

"For these above reasons, I strongly 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. 1987, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STREAMS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 782-18) recommending that H.B. No. 2027, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2027, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER QUALITY CERTIFICATION," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 783-18) recommending that H.B. No. 2122, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 2122, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

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

Representative Har 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 with reservations, stating:

"Mr. Speaker, with reservations, brief comment. The bumper sticker version is, it's a usurpation of county jurisdiction. Home rule is still alive, and I'm not sure why we'd want to do this, because who knows better than those who are within that county jurisdiction. So, I would hope if this moves, and looks like it's going to move, we would know what the rationale is, other than what looks like a usurpation on the part of the State over the counties. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2122, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Third Reading by a vote of 50 ayes, with Representatives Har, Say, Thielen, Tupola and Ward voting aye with reservations, and with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 784-18) recommending that H.B. No. 2443, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2443, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AN ACCESSIBLE PLAYGROUNDS PILOT PROGRAM FOR DISABLED CHILDREN," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 785-18) recommending that H.B. No. 1895, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1895, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 786-18) recommending that H.B. No. 1943, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1943, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LANGUAGE ACCESS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 787-18) recommending that H.B. No. 2427, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 2427, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"Mr. Speaker, with reservations on this appropriation."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2427, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 50 ayes, with Representative Say voting aye with reservations, and with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 788-18) recommending that H.B. No. 2650, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2650, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMELESS SERVICES PROVIDERS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 789-18) recommending that H.B. No. 1624, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1624, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 790-18) recommending that H.B. No. 1876, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1876, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 791-18) recommending that H.B. No. 2345, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2345, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 792-18) recommending that H.B. No. 2539, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2539, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITIES," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 793-18) recommending that H.B. No. 1665, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 1665, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"I wish to speak against Stand. Com. Report No. 793. I speak against this measure because this measure here sends a terrible message to the counties, of which we all belong to, by the way, that we are repealing the original language in the sharing of the TAT.

"So now it will not be by a sharing of the TAT, but it will be with the counties getting tax credits, and I have no idea how they're going to get the tax credits. And also, by the fact is that this is only reimbursement for work done, and I don't know how you're going to qualify work done for tourism or work done for the County of Maui. There's going to be a fine line going to call in between. And if you hire more policemen, will then that be considered because of tourism or not? So we're going to have a huge debate on it. What it means in the end is the counties are going to take years before they get the reimbursement.

"Now, this may be just to send a message and not how it's going to end. But it's still a very bad, bad message that this county is showing to the counties, which we all, by the way, are members of. It's not a different country, it's something that you live in, and you need the tourists and all the services that it has to offer. Police and fire for your protection. Water for your safety. All of this you need. So please don't short-change the counties with this bill. I ask you to defer action on this bill, so I vote no on this bill."

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

"Thank you, Mr. Speaker. In opposition. I just wanted to give my reasoning, which is a little bit different than, I think, others. I was reservations in committee on this bill, and my reservations stem from a more philosophical perspective, that the TAT was originally created not to deal with mitigation of tourism impact. I strongly support any, I shouldn't say any, I strongly support the idea and the principle of trying to mitigate tourism impact on our communities.

"I'm not convinced this is the right measure to do that, because it then creates a nexus that I think doesn't exist right now, linking TAT to tourism impact. And if we give in with this kind of foot-in-the-door technique to allow that, we may find ourselves bleeding tens, if not hundreds of millions of dollars on the future of TAT with that argument that can then be brought before us time and time again, as it has been brought to us time and time again, that TAT should be used for this. This creates the precedent that it will, and that's why I'm opposed to it. Thank you."

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

"With reservations, Mr. Speaker. Thank you. My comments are more mechanical than anything else. And the reasons for my reservation is, as I read the bill, under Chapter 235, it's just totally untenable, it just can't be done. So I'd like to incorporate the comments or testimonies from the Attorney General's Office, the Tax Foundation, and of course DOTAX as the reasons for my reservations. Thank you, Mr. Speaker," and the Chair "so ordered." (By reference only.)

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

Representative DeCoite's written remarks are as follows:

"With reservations. I think that we should return to the original intent of this bill that would give our counties a specific portion of the TAT. The current draft was called a 'bureaucratic nightmare' by Mayor Harry Kim since it would require the counties to request reimbursement for expenses and justify each request to receive any TAT. I don't think we should be burdening our counties with this kind of requirement. The Tax Department and the Attorney General also expressed concerns on HD 1 that we need to take a closer look at as we move forward with this bill. *Mahalo*."

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

"Mr. Speaker, with reservations, but with the caveat that the statements made or the written testimony made by the three respective departments, Department of Taxation, the Tax Foundation, and the Attorney General, that the Senate would consider it as part of their corrections to this bill that goes over. Thank you."

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

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

Representative Tokioka's written remarks are as follows:

"Mr. Speaker, I would like to incorporate the words of the Representative from District 23 in opposition to HB 1665. I am disappointed that, in my opinion, we as a body seem to constantly exploit counties with such unfair and detrimental legislation. As this bill moves forward, I hope to see the language changed to better reflect the original purpose of ensuring fair distribution of the Transient Accommodations Tax revenue by removing the \$103,000,000 cap on the counties' share so that we can assist them in managing the services that they provide to visitors and residents alike."

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

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

"Mr. Speaker, no vote, and a comment that I think the messaging is as follows. Every year we beg, steal and borrow in order to make all the county budgets balance. You, the State, have not given us this money, therefore, this is another way to shoot a message across your bow to say, look we need your help. So, Mr. Speaker, this is simply the counties crying out that we

haven't given them a fair deal, and they want a fair deal, and this is not a fair deal. Thank you."

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

"In support. I would like to point out that this is part of the Hawaii Council of Mayors package. So I'm assuming that they vetted this out, that it would be in favor of the various counties, otherwise they would not have introduced this bill. And as such, I agree with the prior speakers, and I am in support."

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

"Thank you, Mr. Speaker. With reservations. I think the conversation has to continue. The TAT was originally implemented in 1986, but, however, in 2014, Act 174 did establish the state-county working group that studied the TAT, and they did it per a mandate by this body, to look at how to better distribute it. And this report is, it's fairly long, I think it was 170-something pages, but it's a good read. And within the report of the year that it took everyone to look through how to better allocate the TAT funds, it actually has proposed legislation, and it's actually pretty good, I think it's a good way forward. It's not like this though, it's not a reimbursement system.

"And so I'm thinking that we should read through this working group report that took them a year to figure out what was the best way forward, and try to glean some pearls of knowledge, since it took them a year to come to the conclusion of where the split should be, how it can happen, where is the mechanism that it needs to happen in. Because that's the conversations we're having here, is everything that's written in there. It's a good starting place for all of us to read, start from there and try to get the best mechanism method.

"I realize that all the counties need more money, and that's why Honolulu County actually opposed this one, is because, I don't know if he thought the mechanism was good, but there's a discrepancy because everyone wants more money, but it's, how do we get more money to the counties? Well, here we have it, a document mandated, Act 174, the Legislature in 2014 asked them to do it, we should read it, maybe implement parts of it. Thank you."

Representative Ward rose to respond, stating:

"Thank you, Mr. Speaker. Just to cite the data and the vote, or let's say, the sponsorship on this particular bill. The good member from Puna mentioned that, hey this was by the Council of Mayors. The councilmember representing District 4 of the Hawaii County Council is for this bill, but who is against it? The Office of the Mayor of the City and County, the councilmember of the City and County, the councilmember of the Maui County, Hawaii State Association of Counties is against it, and the Maui County Chamber of Commerce. So Mr. Speaker, this is not a very popular bill, other than saying that it's behind one of these bigger organizations. If you look at the numbers and the votes, no one really likes this bill. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1665, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX," passed Third Reading by a vote of 45 ayes to 5 noes, with Representatives Choy, DeCoite, Har, Matsumoto, Say and Tupola voting aye with reservations, with Representatives Evans, LoPresti, Souki, Tokioka and Ward voting no, and with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 794-18) recommending that H.B. No. 2389, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2389, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PAROLE," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 795-18) recommending that H.B. No. 2452, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that H.B. No. 2452, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2452, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Third Reading by a vote of 50 ayes, with Representatives Choy, Holt and Ward voting aye with reservations, and with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 796-18) recommending that H.B. No. 1864, HD 2 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 1864, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY TECHNOLOGIES," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 797-18) recommending that H.B. No. 2046, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2046, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 798-18) recommending that H.B. No. 2108, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and H.B. No. 2108, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A SEAWATER AIR CONDITIONING PROJECT IN HAWAII," passed Third Reading by a vote of 50 ayes, with Representative Yamane being excused.

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

H.B. No. 1757, HD 1  
 H.B. No. 2105, HD 1  
 H.B. No. 2306, HD 1  
 H.B. No. 1958, HD 1  
 H.B. No. 1962, HD 1  
 H.B. No. 1969, HD 1  
 H.B. No. 2080, HD 1  
 H.B. No. 2084, HD 1  
 H.B. No. 2174, HD 1  
 H.B. No. 2333, HD 1  
 H.B. No. 2556, HD 1  
 H.B. No. 2557, HD 1  
 H.B. No. 2559, HD 1  
 H.B. No. 2358, HD 1  
 H.B. No. 1646, HD 1

H.B. No. 1770, HD 1  
 H.B. No. 1774, HD 1  
 H.B. No. 2177, HD 1  
 H.B. No. 1944, HD 1  
 H.B. No. 2181, HD 1  
 H.B. No. 1987, HD 1  
 H.B. No. 2027, HD 1  
 H.B. No. 2122, HD 1  
 H.B. No. 2443, HD 1  
 H.B. No. 1895, HD 1  
 H.B. No. 1943, HD 1  
 H.B. No. 2427, HD 1  
 H.B. No. 2650, HD 1  
 H.B. No. 1624, HD 1  
 H.B. No. 1876, HD 1  
 H.B. No. 2345, HD 1  
 H.B. No. 2539, HD 1  
 H.B. No. 1665, HD 1  
 H.B. No. 2389, HD 1  
 H.B. No. 2452, HD 1  
 H.B. No. 1864, HD 2  
 H.B. No. 2046, HD 1  
 H.B. No. 2108, HD 1

At 1:07 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:07 o'clock p.m.

**INTRODUCTION OF RESOLUTIONS**

By unanimous consent, the following resolution (H.R. No. 29) and concurrent resolutions (H.C.R. Nos. 37 and 38) were referred to Printing and further action was deferred:

H.R. No. 29, entitled: "HOUSE RESOLUTION REQUESTING THE CONGRESSIONAL DELEGATION OF HAWAII AND THE UNITED STATES CONGRESS TO OPPOSE "CONCEALED CARRY RECIPROCITY" LEGISLATION," was jointly offered by Representatives Takayama, Creagan, Evans, Gates, Hashem, Holt, Ichiyama, Learmont, LoPresti, Mizuno, Nishimoto, San Buenaventura, Say, Takumi and Yamashita.

H.C.R. No. 37, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CONGRESSIONAL DELEGATION OF HAWAII AND THE UNITED STATES CONGRESS TO OPPOSE "CONCEALED CARRY RECIPROCITY" LEGISLATION," was jointly offered by Representatives Takayama, Creagan, Evans, Gates, Hashem, Holt, Ichiyama, Learmont, LoPresti, Mizuno, Nishimoto, San Buenaventura, Say, Takumi and Yamashita.

H.C.R. No. 38, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY TO ASSESS THE IMPACT OF MEDICAL BILL REVIEW COSTS ON THE STATE'S WORKERS' COMPENSATION SYSTEM," was jointly offered by Representatives Johanson and Saiki.

**ANNOUNCEMENTS**

Representative Tupola: "Thank you, Mr. Speaker. With your permission, I would like to have a moment of silence, please, for those Members of the House who want to participate. So, Reverend Billy Graham did pass away today as it was said in the invocation, at the age of 99 years old. He was active since 1949, has been spiritual advisor to almost every president during his lifetime, and so we just wanted to pay respects."

At this time, the Members of the House of Representatives stood for a moment of silence in honor of the late Reverend Billy Graham.

Representative Ward: "Mr. Speaker, just a brief reminder. The Small Business Caucus is hosting the Korean delegation in Room 312, everybody's welcome for lunch. Thank you."

**COMMITTEE ASSIGNMENTS**

The following measures were referred to committee by the Speaker:

<u>S.B. Nos.</u>	<u>Referred to:</u>
937	Committee on Finance
2013, SD1	Committee on Transportation, then to the Committee on Judiciary
2086, SD1	Committee on Finance
2380	Committee on Education, then to the Committee on Finance
2484, SD1	Committee on Finance
2506, SD1	Committee on Finance

**COMMITTEE REASSIGNMENTS**

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

<u>H.B. Nos.</u>	<u>Re-referred to:</u>
2372, HD1	Committee on Health & Human Services, then to the Committee on Consumer Protection & Commerce
2498, HD1	Committee on Health & Human Services, then to the Committee on Finance

**ADJOURNMENT**

At 1:09 o'clock p.m., on motion by Representative Morikawa, seconded by Representative Ward and carried, the House of Representatives adjourned until 12:00 o'clock noon Thursday, March 1, 2018. (Representatives Har, Ing, Lowen, Tokioka and Yamane were excused.)