

FORTY-SIXTH DAY

Tuesday, April 10, 2018

The House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018, convened at 9:05 o'clock a.m., with Vice Speaker Nakashima presiding.

The invocation was delivered by Mr. Makana Paris of the Ironworkers Stabilization Fund, after which the Roll was called showing all Members present with the exception of Representatives Holt and Ward, who were excused.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 556 through 574) were received and announced by the Clerk:

Sen. Com. No. 556, transmitting H.B. No. 1620, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE REPAIRS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 557, transmitting H.B. No. 1626, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CEMETERIES," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 558, transmitting H.B. No. 1650, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SAFETY," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 559, transmitting H.B. No. 1653, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 560, transmitting H.B. No. 1869, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LANDLORD TENANT CODE," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 561, transmitting H.B. No. 1873, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 562, transmitting H.B. No. 1932, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY RULES BY AGENCIES," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 563, transmitting H.B. No. 1934, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 564, transmitting H.B. No. 2060, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO BOARDS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 565, transmitting H.B. No. 2149, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTISTRY," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 566, transmitting H.B. No. 2207, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL ASSISTANTS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 567, transmitting H.B. No. 2275, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 568, transmitting H.B. No. 2342, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER CREDIT REPORTING AGENCIES," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 569, transmitting H.B. No. 2375, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TEMPORARY DISABILITY INSURANCE," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 570, transmitting H.B. No. 2442, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ABANDONED VEHICLES," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 571, transmitting H.B. No. 2464, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 572, transmitting H.B. No. 2493, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EPIDEMIOLOGISTS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 573, transmitting H.B. No. 2657, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO BEHAVIOR ANALYSIS," which passed Third Reading in the Senate on April 6, 2018.

Sen. Com. No. 574, dated April 6, 2018, informing the House that the Senate has disagreed to the amendments proposed by the House to the following Senate Bills:

S.B. No. 2053, SD 1, HD 1
 S.B. No. 2075, SD 1, HD 1
 S.B. No. 2150, SD 2, HD 1
 S.B. No. 2201, SD 1, HD 2
 S.B. No. 2244, SD 1, HD 2
 S.B. No. 2247, SD 1, HD 2
 S.B. No. 2258, SD 1, HD 2
 S.B. No. 2361, SD 2, HD 1
 S.B. No. 2363, SD 2, HD 1
 S.B. No. 2472, SD 2, HD 1
 S.B. No. 2487, HD 1
 S.B. No. 2504, SD 2, HD 1
 S.B. No. 2647, HD 3
 S.B. No. 2691, SD 1, HD 1
 S.B. No. 2699, SD 2, HD 1
 S.B. No. 2738, SD 1, HD 1
 S.B. No. 2790, SD 2, HD 2
 S.B. No. 2799, SD 1, HD 2
 S.B. No. 2801, SD 2, HD 1
 S.B. No. 2803, SD 2, HD 1
 S.B. No. 2833, SD 1, HD 1
 S.B. No. 2868, SD 3, HD 1
 S.B. No. 2906, SD 1, HD 1
 S.B. No. 2909, SD 2, HD 1
 S.B. No. 2913, SD 1, HD 1
 S.B. No. 2914, SD 1, HD 1
 S.B. No. 2989, SD 2, HD 1
 S.B. No. 3100, SD 1, HD 1

Representative Belatti moved to disagree to the amendments made by the Senate to the following House Bills, seconded by Representative Morikawa and carried: (Representatives Holt and Ward were excused.)

H.B. No. 1620, HD 2, (SD 1)
 H.B. No. 1626, HD 1, (SD 1)
 H.B. No. 1650, HD 2, (SD 1)
 H.B. No. 1869, HD 1, (SD 1)
 H.B. No. 1873, HD 1, (SD 1)
 H.B. No. 1932, HD 1, (SD 2)
 H.B. No. 1934, HD 1, (SD 2)
 H.B. No. 2060, HD 1, (SD 1)

H.B. No. 2149, HD 1, (SD 1)
 H.B. No. 2207, HD 2, (SD 1)
 H.B. No. 2275, HD 2, (SD 2)
 H.B. No. 2342, HD 1, (SD 1)
 H.B. No. 2375, HD 1, (SD 1)
 H.B. No. 2442, HD 2, (SD 2)
 H.B. No. 2464, HD 2, (SD 2)
 H.B. No. 2657, HD 1, (SD 1)

DEPARTMENTAL COMMUNICATIONS

The following departmental communications (Dept. Com. Nos. 364 through 368) were received by the Clerk and were placed on file:

Dept. Com. No. 364, from the Office of Enterprise Technology Services, dated March 21, 2018, transmitting the Hawaii BHA Integrated Case Management System Project, IV & V Monthly Status Report – Final, Reporting Period: February 2018, pursuant to Section 27-43.6, HRS.

Dept. Com. No. 365, from the Tax Review Commission, dated February 8, 2018, transmitting the Report of the 2015-2017 Tax Review Commission, pursuant to Article VII, Section 3 of the State Constitution and Chapter 232E, HRS.

Dept. Com. No. 366, from the Department of Business, Economic Development & Tourism, dated March 6, 2018, transmitting the report, Regarding Estimated Motion Picture, Digital Media and Film Production Income Tax Credit for Calendar Year 2017, pursuant to Section 235-17, HRS.

Dept. Com. No. 367, from the Office of the Auditor, dated March 16, 2018, transmitting the Financial and Compliance Audit Report of the Department of Human Services, pursuant to Article VII, Section 10 of the State Constitution, and as authorized by Chapter 23, HRS.

Dept. Com. No. 368, from the University of Hawaii System, dated March 28, 2018, transmitting a position report, pursuant to Act 49, Section 96, SLH 2017.

INTRODUCTIONS

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

Representative Thielen introduced members of the League of Women Voters who were here in recognition of Equal Pay Day.

Representative Tokioka, on behalf of the Kauai Delegation, introduced Aunty Jean Dobashi, HSTA retiree.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Morikawa, seconded by Representative Thielen and carried, the rules were suspended for the purpose of considering certain Senate Bills for Third Reading by consent calendar. (Representative Holt was excused.)

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

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

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1946-18) recommending that S.B. No. 2013, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2013, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CIVIL IDENTIFICATION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1947-18) recommending that S.B. No. 2619, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2619, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AERONAUTICS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1948-18) recommending that S.B. No. 2854, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2854, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOPEDES," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1950-18) recommending that S.B. No. 122, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 122, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1952-18) recommending that S.B. No. 203, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 203, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE COUNCIL ON MENTAL HEALTH," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1953-18) recommending that S.B. No. 2646, SD 1, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2646, SD 1, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1956-18) recommending that S.B. No. 202, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 202, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE AREA BOARDS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1958-18) recommending that S.B. No. 872, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 872, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1960-18) recommending that S.B. No. 2581, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2581, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE KING KAMEHAMEHA CELEBRATION COMMISSION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1961-18) recommending that S.B. No. 2714, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2714, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE WEIGHT TAX," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1963-18) recommending that S.B. No. 2334, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2334, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PLANNING," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1965-18) recommending that S.B. No. 2939, SD 2 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2939, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1967-18) recommending that S.B. No. 3077, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 3077, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BIOFUELS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1968-18) recommending that S.B. No. 2239, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2239, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLEGE PLACEMENT EXAMINATION FEES," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1969-18) recommending that S.B. No. 2576, SD 2, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and

S.B. No. 2576, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1970-18) recommending that S.B. No. 2928, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2928, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII FARM TO SCHOOL PROGRAM," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1971-18) recommending that S.B. No. 2074, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2074, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE IMPORTANT AGRICULTURAL LAND QUALIFIED AGRICULTURAL COST TAX CREDIT," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1972-18) recommending that S.B. No. 2346, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2346, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ADDRESS CONFIDENTIALITY," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1974-18) recommending that S.B. No. 48, SD 3, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 48, SD 3, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1975-18) recommending that S.B. No. 2903, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2903, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1977-18) recommending that S.B. No. 2773, SD 2, HD 2 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2773, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THIRD PARTY ADMINISTRATORS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1978-18) recommending that S.B. No. 2643, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2643, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING

TO INSURANCE," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1979-18) recommending that S.B. No. 535, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 535, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEARING AIDS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1980-18) recommending that S.B. No. 2298, SD 2, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2298, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO HEALTHCARE PRECEPTOR TAX CREDITS," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Choy voting no, and with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1981-18) recommending that S.B. No. 287, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 287, SD 1, HD 2 pass Third Reading, seconded by Representative Morikawa.

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

"SB 287, SD 1, HD 2 relates to health insurance and addresses preauthorization, disclosure, insurance, and medical policies. This bill cautions all health insurers from requiring a medical treatment or service. It requires all health insurers to disclose the medical policies that the insurer uses for preauthorization decisions.

"Preauthorization causes undue delay in the receipt of the treatment or service prior to administering some tests such as MRI. In some cases, treatment is delayed especially when there are appeals undertaken which take longer time to facilitate.

"According to the 'American Medical Association Prior Authorization Physician Survey,' 64% are waiting at least one day and 30% are waiting for three days. During this time, the patient can have a worsening in their health conditions while waiting for preauthorization.

"Inefficient time, administrative snags and difficulties coming from non-communication by insurers frustrate physicians and patient alike.

"Due to the preauthorization requirements, more problems loom for medical practitioners. 'Hawaii is facing a critical shortage of doctors, and it's expected to get worse,' according to Dr. Kelley Withy of JABSOM. 'We're starting with a shortage and we're not making up for it. We have an aging population so, it's just getting worse and worse.' Presently, the state is short 700 doctors. Of those, 282 are primary care physicians. It is projected to increase to 1,500 in ten years. The shortage is even worse in the neighbor islands.

"Why is doctor shortage being experienced in Hawaii?"

"There are two major factors for this anticipated crisis. Aside from preauthorization, there is capitation, which causes more challenges. The County of Hawaii is experiencing a large and growing physician shortage with a 39% shortfall of physicians and 49% shortfall for primary care physicians, and Hilo has seven fewer physicians in 2017 than it did in 2016, five of which are based on income.

"One reason for the shortage, particularly primary care physicians, is the lack of adequate reimbursement rates. The amount of reimbursement for physicians in Hawaii is reported to be around \$24.00 per member per month, as compared to other states with higher reimbursement rates.

"In recent studies, 50% of physicians admit to burnout, and 15% to 30% of practicing doctors and 26% of resident doctors are depressed. This results in physician and staff resignations. Adding to the growing dissatisfaction is the imminent retirement of a large number of currently practicing physicians, with over half of all physicians currently practicing in Hawaii reaching the retirement age of 65 over the next ten years.

"SB 287, SD 1, HD 2 proves to be net positive for physicians and patients in Hawaii. I stand in strong support of this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 287, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1983-18) recommending that S.B. No. 2497, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2497, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1984-18) recommending that S.B. No. 2401, SD 2, HD 1 pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2401, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMELESSNESS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1986-18) recommending that S.B. No. 2402, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2402, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSING TAX CREDIT," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

THIRD READING

S.B. No. 2153, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2153, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ORGANIZATIONAL REPORTS OF CANDIDATE COMMITTEES," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2154, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2154, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ORGANIZATIONAL REPORTS OF NONCANDIDATE COMMITTEES," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2172, SD 2, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2172, SD 2, HD 1, entitled: "A BILL FOR

AN ACT RELATING TO EXPERT WITNESS FEES," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2742, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2742, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD INFORMATION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2745, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2745, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFIDENTIAL PERSONAL INFORMATION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2851, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2851, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATUTORY REVISION: AMENDING OR REPEALING VARIOUS PROVISIONS OF THE HAWAII REVISED STATUTES AND THE SESSION LAWS OF HAWAII FOR THE PURPOSES OF CORRECTING ERRORS AND REFERENCES, CLARIFYING LANGUAGE, AND DELETING OBSOLETE OR UNNECESSARY PROVISIONS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2046, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2046, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

S.B. No. 2436, SD 2, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2436, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 46 ayes to 3 noes, with Representatives Choy, Har and Tokioka voting no, and with Representative Holt being excused.

S.B. No. 2257, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2257, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 49 ayes, with Representative Holt being excused.

At 9:18 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 2013, SD 1, HD 2
 S.B. No. 2619, SD 2, HD 2
 S.B. No. 2854, SD 1, HD 2
 S.B. No. 122, SD 2, HD 2
 S.B. No. 203, HD 1
 S.B. No. 2646, SD 1, HD 3
 S.B. No. 202, HD 1
 S.B. No. 872, SD 1, HD 1
 S.B. No. 2581, SD 1, HD 2
 S.B. No. 2714, SD 1, HD 1
 S.B. No. 2334, SD 2, HD 2
 S.B. No. 2939, SD 2
 S.B. No. 3077, SD 2, HD 1
 S.B. No. 2239, SD 2, HD 1
 S.B. No. 2576, SD 2, HD 1
 S.B. No. 2928, SD 2, HD 1
 S.B. No. 2074, SD 1, HD 1

S.B. No. 2346, SD 2, HD 1
 S.B. No. 48, SD 3, HD 2
 S.B. No. 2903, SD 1, HD 1
 S.B. No. 2773, SD 2, HD 2
 S.B. No. 2643, SD 1, HD 2
 S.B. No. 535, SD 2, HD 1
 S.B. No. 2298, SD 2, HD 3
 S.B. No. 287, SD 1, HD 2
 S.B. No. 2497, SD 1, HD 1
 S.B. No. 2401, SD 2, HD 1
 S.B. No. 2402, SD 2, HD 1

S.B. No. 2153, HD 1
 S.B. No. 2154, HD 1
 S.B. No. 2172, SD 2, HD 1
 S.B. No. 2742, SD 1, HD 1
 S.B. No. 2745, SD 1, HD 1
 S.B. No. 2851, SD 1, HD 1
 S.B. No. 2046, SD 1, HD 1
 S.B. No. 2436, SD 2, HD 1
 S.B. No. 2257, SD 1, HD 1

At this time, the Chair stated:

"Members, please remember to submit to the Clerk the list of Senate bills on the consent calendar which you will be inserting written comments, in support or in opposition. This must be done by the adjournment of today's floor session."

At 9:18 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:27 o'clock a.m.

LATE INTRODUCTIONS

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

Representative Holt, on behalf of Representatives Mizuno, Cachola and himself, introduced 75 students from Kalihi Kai Elementary, and their chaperone, Ms. Dana Nakasone.

Representative Woodson introduced members of HSTA from across the state.

Representative Cachola introduced his constituent and daughter's friend, Ms. Shannon Garan of HSTA.

Representative Yamane introduced Ms. Ah Lin Yamane of HSTA.

Representative Belatti introduced members of AAUW, League of Women Voters, and Planned Parenthood of Hawaii, who were visiting in recognition of Equal Pay Day.

Representative Cachola introduced Mr. Corey Roselee, HSTA President.

Representative Ing introduced his constituent, Mr. John Fitzpatrick.

Representative Har, on behalf of the leeward side, introduced Ms. Amber Riel, Ms. Mitzie Higa, Ms. Juliana Romero and Aunty Carol Nitta of HSTA.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1949-18) recommending that S.B. No. 2783, as amended in HD 1, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2783, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"Thank you, Mr. Speaker. I rise with slight reservations and a brief comment. Thank you. This bill specifically targets low-income seniors in the public housing area and extends the buffer zone from 20 to 25 feet, which seems a little unnecessary. I'm not a smoker but I am a teacher, and I think that if we could give more emphasis on teaching and educating and advocating for our public health initiatives, it would go so much farther than some of these increases that we see, that we don't really have enforcement for. And really, for the public housing area, some of the reasons why the smoking is there is because they're getting off of other substances. And so with those reservations, I'd just like to cast my vote that way. 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. 2783, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," passed Third Reading by a vote of 50 ayes, with Representative Tupola voting aye with reservations.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1951-18) recommending that S.B. No. 2087, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2087, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY RESCUE DEVICES," passed Third Reading by a vote of 50 ayes.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1954-18) recommending that S.B. No. 134, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 134, SD 1, HD 2 pass Third Reading, seconded by Representative Morikawa.

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

"Also with reservations. This is only the second UH bill we've seen here, but creating legislation to ban smoking at UH, which they can actually already do per their policy, is one of the many ways that I feel like we're overregulating into agencies that should be doing things for themselves. As we saw with the graduate student union, a lot of the reasons why they wanted to unionize is because UH needs to step up their game and do the things for the students that they're asking for. And so by us stepping in and doing what an agency should do for themselves, I feel that we're also sending the signal to other agencies that we can nanny them if they don't do the things that they're supposed to, when we should really encourage them to listen to their students. And so those are my reservations. Thank you."

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

"Mr. Speaker, thank you. In support. I can appreciate the concerns of the previous speaker, I had them myself several years ago. But this is exactly like what happened with HHSC with their smoking policy. Until it gets implemented by state law, it's a gray area of enforcement, and we took extra steps to make sure to exempt collective bargaining from it completely. But you need to do this if you're going to have an actual enforceable, well-delineated no smoking policy, even though it is the right of the Board of Regents. 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. 134, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Tupola voting aye with reservations, and with Representative McDermott voting no.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1955-18) recommending that S.B. No. 270, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 270, SD 1, HD 2 pass Third Reading, seconded by Representative Morikawa.

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

"Thank you. I rise in opposition. I'd like permission to insert comments in the Journal, but my comments on this will be relatively positive. I would like to give a nod to the Chair, because in discussing the issue of LBGTQ counseling, Q, that's the critical group here, questioning. These students will be left adrift without any recourse or resources to talk to. They're, by the very definition, questioning. What if your son comes to you and says, dad I have these unwanted attractions, please help me. Or what if your son or daughter comes to you, I'm not sure I'm a male or female, who can we talk to? This bill will send a chilling effect to anyone offering those sorts of counseling opportunities.

"Now, I'm not talking about the young lady who testified saying, I'm a lesbian, I'm happy with who I am, my parents are trying to change me, they should love me. She's not a candidate for any counseling of any sort. She's happy with who she is, let her be. The other fella came and testified, said he went through some sort of therapy and he wasn't allowed to talk to his mother for three years. Well, that's just plain insanity. By the way, that young man came to my office afterwards and we talked for about 45 minutes, very nice young fella. But there is a group that can benefit from counseling, and that is the Q group, the questioning group.

"Now, if we put this ban in effect, the only people left are the clergy, and they're not particularly the best at this. They don't have advanced degrees in psychology, they're not medical doctors who are psychiatrists. And the psychiatrists, if there's a ban, if there's any questioning where the line is, the psychiatrist is not going to jeopardize his \$250,000 a year practice, because he has a mortgage and kids in college. So we're cutting these kids adrift. We're telling them, you're on your own, we can't help you. One size fits all, because we in the Hawaii State Legislature, with our collective medical expertise, and I, with all do deference to my good friend behind me, we're making a decision, because we know best, damn it, and we're cutting these kids who are Q loose. They will have no resources to go to.

"So that's why I commend the Chair for setting up a study, it took a lot of courage for him to do that, Mr. Speaker, because the groups that believe like I do didn't show up, and they didn't show up because they don't think it matters anymore. With the past issues, whether it's Pono Choices, same-sex marriage, they show up in force, it doesn't matter, show up at the BOE, it doesn't matter, the policy goes forward. But he demonstrated courage, Mr. Speaker. In the face of all the support to ban this, he said, wait a minute, we got a group of kids here, the Q group, who are questioning. And by the very nature of the definition, questioning, you will benefit from some direction or guidance or counseling. So for those reasons, I am a no, but at the same time, I acknowledge the courage of the Chair for including a task force in here to look at that group very closely. Thank you, sir."

Representative McDermott submitted the following National Task Force for Therapy Equality report:

The American Psychological Association Says Born-That-Way-And-Can't-Change Is Not True of Sexual Orientation And Gender Identity

By Laura A. Haynes, Ph.D., California Psychologist.

Contact: www.laurahaynesphd.com

In its "Series Preface," the APA Handbook on Sexuality and Psychology (American Psychological Association, 2014) states, *With the imprimatur of the largest scientific and professional organization representing psychology in the United States and the largest association of psychologists in the world, and with content edited and authored by some of its most respected members, the APA Handbooks in Psychology series will be the indispensable and authoritative reference resource to turn to for researchers, instructors, practitioners, and field leaders alike. (p. xvi).*

The American Psychological Association (APA) could not confer any higher authority on the APA Handbook of Sexuality and Psychology than it does, bestowing its "imprimatur" and calling it "authoritative." In the APA Handbook, the American Psychological Association itself is now saying that born-that-way-and-can't-change is not true.

In addition, Dr. Lisa Diamond, a self-avowed lesbian, is co-editor-in-chief of the Handbook, and she authors and co-authors chapters in it. She qualifies as one of the APA's "most respected members." In her APA Handbook chapters where she is speaking for the APA itself, in her own book, in a YouTube lecture, and journal articles (example 2016) she says *sexual orientation does not come in two types—exclusively homosexual and exclusively heterosexual—that are rigid and unchangeable. She is telling LGBT activists to stop promoting the myth.*

The battle to disprove "born that way and can't change" is now over. The public needs to hear this.

In the APA Handbook, thus on behalf of the APA, Dr. Diamond states, "Hence, directly contrary to the conventional wisdom that individuals with exclusive same-sex attractions represent the prototypical 'type' of sexual-minority individual, and that those with bisexual patterns of attraction are infrequent exceptions, the opposite is true. Individuals with nonexclusive patterns of attraction are indisputably the 'norm,' and those with exclusive same-sex attractions are the exception." This pattern has been found internationally (v. 1, p. 633). Most people who experience same-sex attraction also already experience opposite-sex attraction.

More conventional wisdom that the APA Handbook says is not true is that same-sex attraction and transgender identity never change. The American Psychological Association (2011) officially recognizes sexual fluidity or sexual orientation change. The APA Handbook says, "Although change in adolescence and emerging adulthood is understandable, change in adulthood contradicts the prevailing view of consistency in sexual orientation" (Rosario & Schrimshaw, 2014, APA Handbook, v. 1, p. 562).

Also, both the American Psychiatric Association (Diagnostic and Statistical Manual-Fifth Edition, p. 455) and the American Psychological Association (Bockting, 2014, APA Handbook, v. 1, p. 744) recognize *transgender identity fluctuates, and the vast majority of gender dysphoric minors will eventually accept their chromosomal sex.*

Therapy that is open to change is more in harmony with the course of sexual orientation and gender identity for many than is gay-affirmative or transgender-affirmative therapy.

Researchers often measure sexual orientation by one or more of three separate factors: sexual attraction, behavior, and self-label identity. The APA Handbook says these frequently do not match within the same individual (Rosario & Schrimshaw, 2014, v. 1, pp. 558-559; Diamond, 2014, v. 1, p. 634). For example, a person could have bisexual attraction, homosexual behavior, and heterosexual identity if there is a sense that the same-sex sexuality does not represent the authentic self. Many do not act on or base their identity on their same-sex attractions (Rosario & Schrimshaw, 2014, p. 559; Diamond, 2014, p. 629-630; both in APA Handbook, v. 1). The APA Handbook states, "[R]esearch on sexual minorities has long documented that many recall having undergone notable shifts in their patterns of sexual attractions, behaviors, or [orientation] identities over time" (Diamond, 2014, in APA Handbook, v. 1, p. 636).

The APA Handbook reviews a highly regarded study by gay researcher Savin-Williams and colleagues (Savin-Williams, Joyner, & Rieger, 2012; Rosario & Schrimshaw, 2014, APA Handbook, v. 1, p. 562) that followed the sexual identity of young adult participants when most were ages 18 through 24 and again at ages 24 through 34, about 6 years later. Participants indicated whether their sexual identity was heterosexual, mostly heterosexual, bisexual, mostly homosexual, or homosexual.

The bisexual group was larger than exclusively gay and lesbian groups combined. But the largest identity group, second only to heterosexual, was "mostly heterosexual" for each sex and across both age groups, and that group was "larger than all the other non-heterosexual identities combined" (Savin-Williams et al., 2012, abstract).

"The bisexual category was the most unstable" with *three quarters* changing that status in 6 years (abstract, emphasis added). "[O]ver time, more bisexual and mostly heterosexual identified young adults of both sexes moved toward heterosexuality than toward homosexuality" (p. 106, emphasis added). Similar change is found in other population-based longitudinal studies, and rates of change do not appear to decline as participants get older (Diamond & Rosky, 2016, p. 7, Table 1).

For both sexes, a heterosexual sexual orientation identity was the most stable" (Savin-Williams 2012, p. 104), as Diamond reports is true in all of the large-scale prospective, longitudinal studies (2014, in APA Handbook, v. 1, p. 637). Savin-Williams and colleagues reported, "In our study, when shifts occurred in sexual orientation identity, most were to an adjacent identity category" (Savin-Williams, 2012, p. 107). Spontaneous change from a 100% homosexual identity to a 100% heterosexual identity seldom occurred (p. 109). "When mostly heterosexual

women and men shifted over time it was primarily to and from the 100% heterosexual category" (p. 109).

A shift of one or more adjacent categories in the direction toward heterosexuality can make a desired goal of chastity easier for some, and a goal of having a gender complimentary relationship may become more or entirely possible.

In the APA Handbook, Diamond says, "In every large-scale representative study reviewed thus far, the single largest group of individuals with same-sex attractions report predominant—but not exclusive—other-sex attractions" (v. 1, p. 634). Kleinplatz and Diamond say (v.1, p. 256), "Historically such individuals [mostly heterosexual] have been treated with skepticism and suspicion by laypeople and scientists alike. They have been viewed as either closeted lesbian, gay, or bisexual individuals (who cling to a mostly heterosexual label to avoid the stigma associated with same-sex sexuality) or as confused or questioning "heteroflexibles." *Heteroflexibles* refers to individuals who, given our culture, have had infrequent same-sex fantasies or experimented with same-sex behavior but are not really gay or bisexual (v.1, p. 256).

Kleinplatz and Diamond urge that "it is critically important for clinicians not to assume that any experience of same-sex desire or behavior is a sign of latent homosexuality and instead to allow individuals to determine for themselves the role of same-sex sexuality in their lives and identity" (p. 257) (emphasis added).

Mostly heterosexual individuals do not identify as LGB, and LGB activists have not recognized or represented them well. Some have had therapists wrongly assume they are really homosexual and would be happier leaving their marriage and family for a gay life. But some mostly heterosexual individuals want therapy to help them be faithful in their marriages and keep their families intact.

Therapy that is open to change is more harmonious with the heterosexual fluidity tendency of bisexual and mostly heterosexual individuals—most non-heterosexuals—than is gay-affirmative therapy.

Readers can hear Dr. Diamond review research in her YouTube lecture for an LGBT audience at Cornell University (2014). She said that excellent and abundant research has now established that sexual orientation—including attraction, behavior, and identity self label—all three—is fluid for both adolescents and adults and for both genders, and exceptions for LGB individuals are a minority.

Despite the research, political activists continue to promote the "born-that-way-and-can't-change" myth about sexual orientation. The Southern Poverty Law Center (SPLC) published a paper in May this year (2016) in which it said the "National Gay and Lesbian Task Force reacted with alarm," and "warned that the ex-gay industry was under-mining the battle for LGBT rights by suggesting that homosexuality is a choice, not an unchangeable condition like skin color" (p. 9).

Actually, it is the APA and Dr. Diamond, herself a gay activist, that are undermining the falsehood that sexual orientation is like skin color.

According to the APA Handbook, "[W]e are far from identifying potential genes that may explain not just male homosexuality but also female homosexuality" (Rosario & Schrimshaw 2014, v. 1, p. 579). The Handbook also says it is not the case that some same-sex sexuality is biologically determined and some is not. "The inconvenient reality...is that social behaviors are always jointly determined" by nature, nurture, and opportunity (Kleinplatz & Diamond 2014, APA Handbook, v. 1, pp. 256-257).

At the same time, the APA (2008) says same-sex attraction is generally not a choice. Therapists who are open to change agree people generally do not just choose their sexual attractions, otherwise these therapists would not bother to offer therapy. But the reality is, non-heterosexual sexual orientation is changing all around us.

Further underscoring that sexual orientation is changeable, Diamond reports that some say choice was involved for them, and she says one may choose a context or circumstance that may influence sexual orientation change, such as choice of roommate (2008, pp. 249-250), deciding to live in an ideological, political, or social reference group—as in "political lesbians" (2014, in APA Handbook, v.1, p. 632), or being in therapy that is open to change (2008, p. 252). One may reasonably deduce that LGBT and traditional religious support groups are diverse social reference groups that may bring out sexual attraction potential and influence fluidity in contrasting directions.

Dr. Diamond tells LGBT activists near the end of her YouTube lecture, "I feel as a community, the queers have to stop saying, 'Please help us. We're born this way, and we can't change' as an argument for legal standing. I don't think we need that argument, and that argument is going to bite us in the ass, because now we know that there's enough data out there, that the other side is aware of as much as we are aware of it." In other words, Dr. Diamond says, "Stop saying 'born that way and can't change' for political purposes, because the other side knows it's not true as much as we do."

She also directly discussed the harm of political activists promoting the "can't change" myth in her own book on sexual fluidity in women (2008, pp. 256-257) that won the Distinguished Book Award from the APA Division 44 (LGBT). She acknowledged that, for political motives, some activists "keep propagating a deterministic model: sexual minorities are born that way and can never be

otherwise." She addresses the question, "[I]s it really so bad that it is inaccurate?" Her answer is, "Over the long term, yes, particularly because women are systematically disenfranchised by this approach." She said this deceptive practice does harm to women who have experienced sexual attraction fluidity and have "thought there was something wrong with them." She said this "silencing is ironic," because it is being inflicted by the modern lesbian/gay/bisexual rights movement.

Dr. Diamond has publicly gone on record that she opposes psychotherapy that is open to sexual attraction change. (See Rosik, 2016 for a penetrating critique of her position as expressed in Diamond & Rosky, 2016. See Rosik) Nevertheless, she says in her book (2008, p. 252) that some same-sex attracted individuals may have more capacity than others to channel the direction of their sexual fluidity in response to their context, and they may for that reason modify it in psychotherapy.

Officially, the APA Handbook predictably affirms the position of an APA Task Force (2009) that "same-sex attractions, behavior, and partnerships" are "normal variations in human sexuality and explicitly condemns the use of therapeutic techniques aimed at changing an individual's sexual orientation" (Mustanski, Kuper, and Greene, 2014, APA Handbook, p. 598).

What is surprising is that the APA, in its 2014 Handbook, is now not consistent in the view that sexual variation is normal. The *APA Handbook* confirms there is excellent research evidence for "associative or potentially causal links" between childhood sexual abuse and ever having same-sex partners, especially for some men. (Mustanski, Kuper, & Greene, 2014, pp. 609-610).

It also confirms that there is possible evidence that psychopathology may be related to the development of transgender identity (Bockting, 2014, APA Handbook, v.1, p).

If pathology leads to an individual's sexual variation, treatment could lead to a significant and meaningful shift in that variation for some. It is harmful and ineffective to ban such treatment.

Curiously, the APA has been silent on even stronger research showing that growing up without one or both biological parents, especially the parent who is the same sex as the child, is potentially causally related to having same-sex attraction, relationships, or identity (Frisch & Hviid, 2006; Francis, 2008; Udry & Chantala, 2005). If literal unavailability of parents could have such effects for some individuals, do we want to dismiss lightly the possibility that emotional unavailability of parents, and especially the parent of the same sex as the child, could have similar effects for some?

In the most stunning of these studies, research on a population cohort of two million Danes (Frisch & Hviid 2006) found that, not only loss of a parent, but specifically loss of the same-sex parent in childhood (such as through death, divorce, end of parent cohabitation, not living with the same-sex parent, or unknown paternity), and especially parent loss during the first six years of life and, for girls, the mother's death during adolescence, were associated with greater likelihood of entering same-sex marriage. The findings suggest the most important developmental periods for parent influence on sexual orientation may be the first six years of life and adolescence. The researchers concluded, "Our study provides population-based, prospective evidence that childhood family experiences are important determinants of heterosexual and homosexual marriage decisions in adulthood" (p. 533).

In the United States, a large, nationally representative, prospective longitudinal study (using the first two waves of the highly regarded Nationally Longitudinal Study of Adolescent Health (Ad Health) data set) found a female growing up with only a biological father—that is, without a biological mother—increased the likelihood a female identified herself as not exclusively heterosexual by 9.5 percentage points (Francis 2008 p. 376).

In another study using the Ad Health data set (the first three waves), when same-sex and opposite-sex attraction were measured separately, 90% of boys who had strong same-sex interest had absent fathers—a very strong relationship. Among boys, the greater the degree of same-sex attraction, the greater the likelihood of father absence, delinquency, and suicidal thoughts. As opposite sex interest also rose, that strong relationship completely disappeared (Udry & Chantala, 2005, p. 487). With the father's presence, there was likely to be opposite-sex attraction, possibly with same-sex attraction also.

There is evidence that transgender identity also may not be a normal sexual variation. The *APA Handbook* says the origin of transgender identity is "most likely the result of a complex interaction between biological and environmental factors....Research on the influence of family of origin dynamics has found some support for separation anxiety among gender-nonconforming boys and psychopathology among mothers" (Bockting, 2014, v. 1, p. 743, emphasis added).

The American Psychiatric Association and the American Psychological Association concur that it is not the case that individuals with transgender identity are born that way and can't change.

According to the APA Handbook (Bockting 2014, v. 1, p. 744), 75% or more of gender dysphoric boys and girls accept their chromosomal sex by adolescence or adulthood. According to the American Psychiatric Association's *Diagnostic and Statistical Manual, Fifth Edition (DSM-5)*, as many as 70 to 98% of gender

dysphoric boys and as many as 50 to 88% of gender dysphoric girls eventually accept their chromosomal sex (calculated from DSM-5, p. 455).

Further, Bockting says in the APA Handbook, "Premature labeling of gender identity should be avoided. Early social transition (i.e., change of gender role, such as registering a birth-assigned boy in school as a girl) should be approached with caution to avoid foreclosing this stage of (trans)gender identity development." If there is early social transition, "the stress associated with possible reversal of this decision has been shown to be substantial..." (2014, in APA Handbook, p. 744).

The American Psychological Association, in its Handbook (Bockting, 2014, v. 1, pp. 750-751), and the American Psychiatric Association (DSM-5, p. 455) say there are three approaches to treatment: attempts to lessen the dysphoria and nonconformity, attempts to get the environment—family, school, and community—to fully accept the child's gender-variant identity, and the wait-and-see approach. The APA Handbook warns that the full acceptance approach "runs the risk of neglecting individual problems the child might be experiencing and may involve an early gender role transition that might be challenging to reverse if cross-gender feelings do not persist" (Bockting, 2014, v. 1, p. 750).

Both gender identity and sexual orientation can change, psychopathology may be a developmental factor in both, and therefore, we can reasonably deduce, some individuals, though not all, may make a significant and meaningful change in sexual orientation or gender identity through therapy.

For the latest research showing sexual orientation change through therapy is safe and effective (Pela & Nicolosi, 2016), go to <http://www.josephnicolosi.com/collection/outcome-research>.

Therapy that is open to sexual variation change should be neither coerced nor banned. Shaming generally should be avoided by family members or others for an individual's sexual variation or for the outcome of therapy, whether change does not occur or does occur in the heterosexual direction. Ex-gays have been subjected to shaming, sometimes by the LGBT community that rightfully decries shaming.

Some who have modified their sexual variation with the assistance of professional psychotherapy have regretted that their culture or family told them they could not and should not try to change through therapy. Some chose to live in ideological reference groups that supported chastity or change toward heterosexuality.

Individuals who have sexual variations should have the right to know the above information and to seek therapy to address such issues.

[Note: Bold formatting in original has been removed.]

"For a complete list of references go to <http://www.therapyequality.org>."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 270, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MINORS," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Har and Tupola voting aye with reservations, and with Representatives McDermott and Ward voting no.

Representative Nishimoto, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1957-18) recommending that S.B. No. 901, as amended in HD 1, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 901, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AEROSPACE ADVISORY COMMITTEE," passed Third Reading by a vote of 50 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1959-18) recommending that S.B. No. 2740, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2740, SD 1, HD 2 pass Third Reading, seconded by Representative Morikawa.

Representative Belatti rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. Because of a previous ruling on a conflict of interest, I request a limited recusal from voting on the underlying bill, Senate Bill No. 2740, Stand Com. Report No. 1959-18."

The Chair addressed Representative Belatti, stating:

"So ordered."

Representative McKelvey 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 S.B. No. 2740, SD 1, HD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Third Reading by a vote of 46 ayes to 3 noes, with Representatives Choy, Har and McKelvey voting no, and with Representative Belatti being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1962-18) recommending that S.B. No. 2100, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, the report of the Committee was adopted and S.B. No. 2100, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Third Reading by a vote of 50 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1964-18) recommending that S.B. No. 2910, SD 2, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2910, SD 2, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"Thank you, Mr. Speaker. With reservations. Thank you. This bill is creating a Grid Resiliency Task Force, a Grid Resiliency Loan Program, and a Grid Resiliency Loan Special Fund within the Hawaii Green Infrastructure Authority. So the Hawaii Green Infrastructure Authority, they administer the GEMS Program, which we've talked about a few times on this floor, the Green Energy Market Scrutinization Program, and that gives money into what we call the Hawaii Green Infrastructure Special Fund.

"This fund, if you remember in 2016, we actually passed Act 47 which used \$100 million to cool classrooms from this fund, and then in 2017, Act 57 gave DOE \$46.4 million more from this very fund for heat abatement, to keep cooling classrooms. And as far as I'm concerned, we're not done yet, because there are schoolrooms that still need to be handled but we haven't done those yet. But this is proposing to take \$20 million from that fund and put it into the new Hawaii Grid Resiliency Loan Special Fund. And so it's going to do that, take the \$20 million, put it into there, it's also going to create \$50 million revolving line of credit to sub-fund this Hawaii Green Infrastructure Special Fund.

"And typically, our body has been against creating new funds, special funds, we've been trying to eliminate those so that we can actually figure out where all the holes are, put all the money in the right place, so that we don't have pockets of money not being used. And I commend our chair for doing that, because it's actually made things more efficient, so that we understand what money we're actually operating with every year.

"But this is the thing, is that creating and using ratepayer money to do this program, and this is the comment from DCCA, they acknowledge in their testimony that the proposed Grid Resiliency Loan Program will not directly benefit hard-to-reach consumers or decrease the cost of electric utility service for all, even though it is funded by consumer ratepayers. This inequitable benefit from ratepayer fees is especially unfair, given that this

bill does not include language that ensures that funded energy efficient measures are cost effective.

"So those are my concerns, is that this fund has provided money for us to our heat abatement, which we could definitely use more of it, but we're going to create another loan program that doesn't necessarily benefit each individual ratepayer, but we're using their money to do it. And so we need to be careful as we create new funds to make sure that they're even effective and that they're doing what they're supposed to do, which the GEMS fund, that whole pot of money that we're collecting was supposed to benefit ratepayers, and as we know, the first thing that's most expensive for residents of Hawaii is rent and mortgage. The very next thing, their electric bill. And if we're not bringing that down, then we're not doing enough. Thank you."

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

"Thank you. In support, and just wanted to correct my colleague from Nanakuli just on two points, very briefly, for the record. First, that the \$46 million which has been appropriated in a prior legislative session for cooling in schools is actually included in that \$50 million revolving fund. So all we're basically saying is, as that money comes back from the DOE for the work that's been done in those classrooms, it can then be used for other purposes to do efficiency work, to meet the same standards, goals, reductions in both energy use and cost for taxpayers, as well as everyone who uses those facilities.

"Secondly, it's clear that while I think some of the testimony cited referred to certain portions of the bill, ultimately, what's clear is that the \$20 million loan program, which is for critical grid infrastructure, meaning police stations, fire stations, those sorts of things, in the light of a hurricane, which has been estimated to cost this state, if there's a direct impact on Oahu, for example, upwards of \$40 billion. That infrastructure is then upgraded to withstand that kind of impact, so that we have critical services which do benefit all ratepayers, as people will be needing to go to the hospital, will be needing the houses addressed by emergency personnel and so forth. It is a proactive measure looking forward, and something which I think is worthy of further consideration. 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. 2910, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC GRID RESILIENCY," passed Third Reading by a vote of 50 ayes, with Representative Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1966-18) recommending that S.B. No. 2571, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2571, SD 2, HD 2 pass Third Reading, seconded by Representative Morikawa.

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

"Mr. Speaker, in favor with written comments, please, to save Hanauma Bay and a lot of the other reefs in Hawaii. Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. As I have on previous readings of this measure, I am rising in strong support. Thanks to the research by Dr. Craig Downs of the Haereticus Environmental Laboratory, we have found that oxybenzone not only affects the health of reefs, but also humans. I understand the reservations of the cosmetic industry that one year may be too quick to phase out sunscreens containing this oxybenzone. As this measure moves forward into conference, I hope that our government and the cosmetic industry can find a reasonable compromise to phase out this chemical from the market and preserve our reefs for the next generation. *Mahalo.*"

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

Representative Matsumoto's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in strong support.

"I'd like to thank this body for the work that we've done to help preserve our coral reefs for future generations. Banning oxybenzone and octinoxate will keep our environment and *keiki* safe from the harmful effects of these chemicals.

"Though I am in strong support, I am concerned about the implementation time that was shortened to one year in its last committee. The chair of EEP wisely extended the implementation time to three years.

"We should restore the three-year implementation date to give manufacturers and the FDA time to develop alternatives that are safe for our environment and bodies, protective, and aren't prohibitively expensive.

"I hope we can address those concerns in conference.

"Thank you, Mr. Speaker."

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

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 reservations with this bill relate to the scientific evidence that has been presented in hearings on this bill. DLNR has testified that studies have documented the negative impact of these chemicals on corals and other marine life in a laboratory setting, however, little is known about the actual impacts of these chemicals in a natural marine setting. The Hawaii Medical Association also opposed this bill and said the science on this bill has been misrepresented and that the primary source of damage to coral reefs is due to land-based source pollution, over-fishing, invasive species, and climate change. We also need to address these other sources of damage to our coral reefs. *Mahalo.*"

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

"Thank you, Mr. Speaker. In support. Our reefs could soon disappear from the planet. Forty percent of the Great Barrier Reef is already dead, and Hawaii's reefs were extensively damaged in the bleaching event in 2014 and 2015. And in West Hawaii, which is home to the state's healthiest and most vibrant reefs, 50% of coral has died in that single event. And scientists now estimate that, at the rate we're going, over 90% of the planet's reefs will be dead by 2050.

"The reef is the rainforest of the ocean, and the consequences of losing it are hard to imagine. It would impact hundreds of millions who rely on the ocean for food and fishing, and forever change our way of life and culture here in Hawaii. It would be devastating to our economy and our tourism industry.

"Some will argue that we shouldn't pass this bill because they mistakenly believe that they must have this specific kind of sunscreen to protect them from UVA and UVB rays that can cause skin cancer. This is false. There are a multitude of products on the shelves today, available at Safeway, at Long's, at KTA, produced by mainstream brands like Coppertone, Banana Boat, Neutrogena, that are oxybenzone free and are rated SPF 30, 50, 60. Dermatologists recommend SPF 30 or above, and a SPF 30 rated product containing oxybenzone does not provide better protection than an SPF 30 rated product containing titanium dioxide or zinc oxide. They both provide the same protection of SPF 30 as defined by the FDA.

"And others say we shouldn't pass this bill because climate change, coral bleaching, sewage and runoff are larger threats to the reef, but this is like saying, if we cannot do everything at once, we should do nothing at all. We are working on reducing Hawaii's greenhouse gas emissions, and to clean

up our waste water systems. But passing this bill today is something we can do right now to protect our reef and give them the best chance of surviving.

"Exposure to the sunscreen chemicals oxybenzone and octinoxate prevents coral from reproducing, causes coral to bleach at lower temperatures, and severely impacts the ability of corals to recover from bleaching events. We have a job to do here, and even though we don't have a magic wand to wave to solve all of the planet's problems at once, the citizens of Hawaii expect us to do what we can, to make an effort and to not give up. Saving our reefs will be an uphill battle, but I intend to fight to the last breath, starting right now by supporting this bill. 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. 2571, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WATER POLLUTION," passed Third Reading by a vote of 45 ayes to 5 noes, with Representatives Cachola and DeCoite voting aye with reservations, and with Representatives Har, Hashem, Kong, Onishi and Takayama voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1973-18) recommending that S.B. No. 2705, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2705, SD 2, HD 2 pass Third Reading, seconded by Representative Morikawa.

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 S.B. No. 2705, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC-PRIVATE PARTNERSHIPS," passed Third Reading by a vote of 50 ayes, with Representative San Buenaventura voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1976-18) recommending that S.B. No. 2653, SD 1, as amended in HD 1, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2653, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

Representative Choy's written remarks are as follows:

"In opposition. My very deep belief is that local work should go to local people, but I do understand there could be a shortage of physicians in the State of Hawaii. To my dismay, this alleged physician shortage has been a mantra from the medical community for all ten years I have been in the Legislature. Unfortunately, our state government, our medical community and our educational institutions do not seem to be able to address this problem. The problem that this bill is trying to address should be addressed by a policy change, policy courage and policy implementation, instead of taking the easy way out by allowing medical professionals from other states to practice in Hawaii. This is bad policy.

"What if the physicians from the other states decide not to come? What happens to the medical needs of our citizens? Do the best and most competent professionals really have time to fly to Hawaii to help our residents, or is it just the mediocre ones? Will professionals from the mainland really support our community, or are they the same as the people who come and buy our homes, which raises our home costs and exacerbate our cost of living, then fly home?"

"This body has promoted many sustainability initiatives in the areas of food and energy sustainability. But sustainability in health and other professional services, we seem to be taking a direction that declares we desperately need help from the mainland and that we even covet that support.

"This is a failing of policy makers. We should be trying to be sustainable in all areas, including professional services. Ironically, we have a medical school whose sole purpose is to produce medical care professionals for the people of our state. If this institution cannot fulfill its mission, then we should close our medical school and save our precious resources.

"If we truly want to be independent and self-sufficient, we policy makers should be serious and consistent on sustainability polices in all areas."

Representative Tokioka 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. 2653, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 453, HAWAII REVISED STATUTES," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Tokioka voting aye with reservations, and with Representative Choy voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1982-18) recommending that S.B. No. 2654, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2654, SD 2, HD 2 pass Third Reading, seconded by Representative Morikawa.

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

"Mr. Speaker, in support with reservations. I support the intent of this measure to reduce usage among youth and young adults regarding e-cigarettes, but my concern with this legislation as it stands right now is that it would make it unlawful for local retailers to sell e-cigarette products online to deter youth from getting their hands on it, but what my concern is is that we don't have that regulation in place to regulate online sales as of right now, from my understanding, and this would put local retailers at a disadvantage. I do have multiple retailers of e-cigarettes within my district, and it would have some drastic impacts on their business and could possibly shut it down, and that's why I'm speaking with reservations on this measure, and I hope that conferees can work this out in conference. Thank you."

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

"Thank you, Mr. Speaker. Register a no vote, please. I also share similar concerns as my prior colleague, and other things I wanted to bring up in the bill is, I've always been against not just tax increases, but fees, overregulation. This is going to take the license fee from \$2.50 up to \$250, it's going to take the permit fee from \$20 to \$50, it's going to increase tax from 16 cents to an unspecified amount. It's also going to tax all other products from 70% to an unspecified percentage, which will be figured out later. All of these increases, on top of the fact that we don't have the ability to enforce it.

"And that was the gist of our conversation in the Finance Committee, is upon passing this, how would we actually do it? We'd have them go online and check a box that they got it shipped in and then who would go and make sure that the guys who shipped it in got penalized for it, or that someone found out about it? This measure specifically lacks enforcement of the proposed civil penalty of the out-of-state retailers and will not eliminate tobacco product sales to Hawaii residents.

"If the goal is to ban tobacco use in the State of Hawaii by making it cost prohibitive to smoke, then we should probably just ban tobacco all together. Because we're kind of nibbling around the edges, but we're going to propose something that we possibly couldn't even enforce, and wouldn't even know how to start.

"Secondly, I definitely think that, I've actually never smoked in my life and I'm not a fan of smoking, but there's so much good that we can do to push forward our public health initiatives. When we do advocacy, when we teach, when we put out public awareness announcements. And so some of these things I think would actually be a proactive way of addressing the

health concern that many people have, and then also enabling businesses to still operate and not increasing these fees in an exorbitant amount that, again, like my colleague said, would shut them down because of how far the increase is. So those are my concerns. Thank you."

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

"Thank you, Mr. Speaker. In support. I'm a little perplexed, \$2.50 for a sales license for cigarettes, I mean, really? A carton of cigarettes cost double that. Some people think that this bill is about taxing, taxing, taxing. Who would do this in an election year, it's crazy, absolutely crazy, I get that. It's about saving lives. We'd like to tax people so we don't lose the 1,400 lives every year in the State of Hawaii because of tobacco. Some people don't get it, tobacco kills. Every year, 1,400 people die because of tobacco. This is not a tax to get our state tax coffers filled. This is not a tax to make government rich. It's to save 1,400 lives. In support, thank you."

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

"Mr. Speaker, in favor with a brief comment and, actually, a question. As a reformed smoker of a couple of decades, I know what the downside of this is and what the intent is, and what the good speaker just noted. The problem I have is it confounds me on the enforcement. And in the Finance Committee, we had a room full of people, I said, will one of you please tell me how you're going to get somebody who's on the internet, and they order cigarettes and it's delivered? I had a constituent who, because of the price of cigarettes, started to order out of either North or South Carolina. How are you going to catch these people, unless we're going to grow a big brother, secret cigarette police. If the good speaker from Kalihi or anywhere knows how we're going to enforce this, I would greatly benefit from the enlightenment of that, because this is a good bill, but is it practical in the sense that if a piece of legislation can't be enforced, it's really a gesture and a feel-good message that we're sending during an election year. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2654, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 245, HAWAII REVISED STATUTES," passed Third Reading by a vote of 48 ayes to 2 noes, with Representative Gates voting aye with reservations, and with Representatives McDermott and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1985-18) recommending that S.B. No. 2293, SD 2, HD 2, as amended in HD 3, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2293, SD 2, HD 3 pass Third Reading, seconded by Representative Morikawa.

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

"With reservations. Thank you. I understand the intent of 2293, and I learned even more of it through the committee, and I think there's only one part that I have reservations about. And it's not even because it's a Maui thing, it's just in general about the way we deal with businesses.

"It definitely had an appropriation in there for HHFDC to negotiate the extension of the affordable housing status. And then it also contained an appropriation to expedite the construction of the Leialii affordable housing apartments. And then it provided a rent subsidy to the apartment tenants, and this was good, because then it could help the tenants. The part that I didn't understand and I have reservations about was in regards to the rent subsidy.

"In the bill we required a dollar for dollar match from either the County of Maui or the apartment owners, and if none of these entities provided matching funds, then it prohibited the apartment owners, which is a private business, or their successor, from ever doing business in the State of Hawaii. So, again, it's a private business, and if they don't comply with our requirements, then we're going to ban them from doing business in Hawaii, and that's what my reservation was about, is if we did this on this bill, how

would that affect other statutes or bills that we put forward in regards to things that happen.

"And the owners of the apartment complex, they had actually put out and signed a contract to exercise their right to obtain the property. And then when they filed for that right, HHHDC had a year to find a buyer, and they weren't able to find a buyer, and that's why we're at where we're at. So that's the part of the bill that I had concerns with, is just telling one specific business that if this doesn't work out, then you can't do business here in Hawaii.

"I definitely think that we need more affordable housing. I think that we need to support that. I don't know what that would look like for this specific housing project, but I do think that it is going to set a precedent for affordable housing projects in the future that go this way. And I definitely think we should consider that it's kind of meandering towards a bill of attainder, which basically says that we're punishing a specific business or entity. And so we don't want to do that, and I know we don't intend to do that, and those are my reservations with that portion of the bill. Thank you."

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

"Thank you, Mr. Speaker. In strong support. The history behind the Front Street Apartments is the entity and the owners of the apartment has promised to provide 50 years of affordable rentals for these residents of Maui, and these are the working poor and lot of seniors who live in Front Street. And this entity that went into the agreement with HCDCH, they entered into an agreement, and with that agreement the county has provided a lot of support for the owners, and in addition to that, they were able to get either federal credit or tax credits to build this unit. After that, they were able to find a loophole in the tax law and got out of this agreement, which was supposed to provide 50 years of affordable housing for these poor individuals.

"So after 15 years, they give a notice to these residents and say, you know what, we're going to turn it into market, all you guys are out. So the concern that we have is, this is a strong message. This is a strong message that if you are going to use the state and federal tax credit, and if you are going to take the benefit and promise residents that you are going to provide 50 years of affordable rentals, you cannot then turn around and find some loophole and kick these individuals out to the street. Because we have heard time and time again that these individuals, there are not enough affordable housing on Maui to take care of these individuals, and these 200 individuals will essentially become homeless.

"So this is a specific circumstance, and we need to send a strong message to bad actors who take advantage of senior citizens and the working poor and promise them 50 years of affordable units, but after 15 years kick them out on the street. And we need to send that message, that no one should be taking advantage of working poor, no matter where they live in our state, and no one should be taking advantage of some kind of loophole that they found 10 years after they took over this property. So, strong support."

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

"Mr. Speaker, strong support. I would first like the words of the Finance Chair entered into the record as if they were my own," and the Chair "so ordered." (By reference only.)

Representative McKelvey continued, stating:

"And I'll probably be less nice than her. They ripped off the taxpayers of the State of Hawaii and received millions of dollars in benefits from the county and state level for the assurance of affordable housing for the time period.

"This is a canary in a coal mine, because there's a lot of other projects that could potentially fall into this loophole, and that loophole could be exercised in the future. So this could be the beginning, the strong message being sent in here is so apropos, given that this could be taken and developed in other areas. Thank you."

Representative Tupola rose to respond, stating:

"Thank you. I support both of the previous speakers in what had happened with that, and again, my concern wasn't for what was going on on Maui, but in the future. And I think closing up the loophole is one of the most important things that we can do, but it was for the people who don't actually fall into this category. So I appreciate that and do support all of the discussion. We've had lots of discussion in Finance about this. 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. 2293, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING," passed Third Reading by a vote of 50 ayes, with Representative Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1987-18) recommending that S.B. No. 2424, SD 2, as amended in HD 1, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2424, SD 2, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

Representative Holt's written remarks are as follows:

"Amid a huge housing crisis due to the rising cost of living and the movement to smaller, more efficient and low-impact lifestyles, SB 2424, SD 2, HD 1 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable tiny homes. I think there is definitely a need for this to make alternative-type housing available for our Hawaiians, with great financial benefits."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2424, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING FOR NATIVE HAWAIIANS," passed Third Reading by a vote of 50 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1988-18) recommending that S.B. No. 2990, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2990, SD 2, HD 2 pass Third Reading, seconded by Representative Morikawa.

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

"With reservations. I support paid family leave. What I have concerns with in this particular bill is that the employer sections includes those with only one employee. And so it includes those with family businesses, with the lunch wagons, with the tiny hole in the wall, who have a difficult time when that one employee takes family leave, because they don't have other employees for which they could juggle to fill in the hole.

"For those reasons, until we fix that portion, I am with reservations. And I understand that there is this insurance appropriation that the chair or the introducer inserted in this bill, and I would like to point out that small businesses who have had assurances before, like the supplementation of prepaid health insurance, know that that's an illusory appropriation. It may be in for now, but not for later. And as such, again, until we take care of the small businesses, the tiny businesses, not just the small business as determined by Small Business Administration, but the tiny family-run businesses of one or two employees, I stand with reservations. Thank you."

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

"Thank you, Mr. Speaker. I have similar reservations, but I'm going to cast a no vote, and there's a few reasons why. I definitely echo the same sentiments, my main concern is for the small businesses, the ones that aren't

going to be able to support, financially, a determination that we don't know yet. So what this is proposing is that we make a board that in the future would determine what the paid family leave program would look like, and that's where the ambiguity lies. I would much, much, much rather vote on something that we know how the fiscal impact is going to affect businesses, how it's going to either help or hurt the economy, and how businesses are going to be able to be sustained through it. Then we could be able to determine whether or not we would be able to support it, but this is supporting a board who would make that determination later.

"And another thing I wanted to bring up is that the bill requires the composition of the board to have 18 members, and as was brought up in testimony, only three of those would represent the interests of those who would have to be enforcing this family leave. And that's where the concern was with the chamber, with other business organizations that came forward, is that the representation on the board should be such where people who have to implement it would feel not only represented, but be able to vet their concerns of how they would implement it, whether it's through accounting or through additional positions in order for them to actually execute what would be proposed. It doesn't actually create a model, but it creates a board that would think about it. And from a lot of submitted testimonies from small family-owned businesses, they confirmed that it's really hard to do business in Hawaii, already. And so, that's what they're afraid of.

"And again, If we had already done a task force or a study and we were voting on the completed proposed project, then we would be able to comfort these businesses and let them know, okay there's a way out, there's a way for you to get the help you need. And I think for a lot of these mom and pop stores, they want to stay competitive and they want to keep being able to do business in Hawaii, but they're concerned that this will make it harder, it'll increase their prices. And I talked to a few of the restaurant owners, big restaurants, and I don't want to say the names because probably half of us eat over there, but a lot of them were saying that they indefinitely would have to increase the prices on their menus in order to figure out how to implement it, how to make money aside.

"And of course we talked about it in the committee, about it'd only be a dollar a year, it'd be 50, but that's what we hypothetically think it would be, we still don't know, because it's still going to be discussed. And I believe it was brought up, I forget by who, about Washington State, implementing their model, and it took them about 10 years to prepare their economy, to prepare their businesses for this. And so I think DLIR said that the social insurance model is pretty costly for Washington, and of course we don't want to go down a costly route, but we don't know what will come out of the actual committee that will convene.

"And LRB had some serious concerns about the actual timely completing of the study. So they're supposed to do a study, and then when they finish the study by 2019, that study is supposed to guide the board. And they said that in order to do a comprehensive one and make sure that all of the perspectives were considered, they didn't think they could do it by 2019. And they said that it would be a very ambitious goal to set it to be done by 2019. And if this board was convened to actually finish that study and reassure people, not only ourselves but business owners, that this could be a model that our economy could handle, that businesses could survive through. I think it would go a lot better for those businesses.

"It does create a supplemental fund, which intends to offset the costs for temporary hires. But still, it's kind of a stopgap, because we don't know how much that impact would be. So, again, the Chamber of Commerce, not just here on this island but all around the state, they've all brought up, if we could just see the impact, the financial impact for businesses, then we'd be in a better position. But having only three representatives on the board of 18 to represent our needs concerns them. So, those are my concerns. Thank you."

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

"Thank you, Mr. Speaker. In support. I think all of the concerns that have been brought up today are certainly valid, and as chair of the Labor Committee we do take those concerns definitely to heart, because I think the main thing that is important to understand with paid family leave is that there's a symbiotic relationship between the employer and the employee,

there cannot be, effectively, a system of paid family leave if employers are not healthy, if businesses are not thriving and not able to employee people.

"With that said, as a context, part of the reason for the design of this particular bill is to provide a framework, recognizing the complexity of executing a paid family leave program. This bill was specifically designed to enfranchise all of the important stakeholders who heretofore have not agreed on how to execute paid family leave, and it's led to the fact that we haven't necessarily talked about mechanics. We haven't gotten a discussion further beyond just a conceptual support of something, as opposed to at least now, where we're talking about mechanics.

"I will also note that the composition of the board, I think people forget that someone from the accounting or tax industry, someone from the insurance industry, and someone from the HR industry, as well as the named three small business representatives, are all from the private sector. So there are actually six people on this implementation board that come from private industry and come from a business of some type. That is balanced with the number of advocates that are also six.

"I think people only look at the small business representatives that are 50 and under, 50 to 100, and 100 or more. And while I specifically explicated those, because I think it's important to have businesses of varying sizes, I wanted to emphasize that the composition of the board is more balanced than sometimes opponents of this measure like to characterize. Furthermore, I think the reason specifically for this design is, we need these stakeholders to have the input rather than just, and we could, in fact the Senate has done so in the House bill, we could mandate a model, which I understand certainly would give people certainty as to what they're evaluating, and that's one way to go.

"But I would say, it's also important to enfranchise the very people who we're supposed to be concerned about, and who many have rightly so mentioned, our employers, that we also need to factor in here, the ability to shape their own destiny. And that's what this implementation board does, Mr. Speaker, it allows people from the business sector to choose or to help, to at least have input, along with the paid family leave advocates, on what kind of effectuating mechanism would establish paid family leave in Hawaii.

"I will also note that in this version of the bill, there are specific benchmarks, so it's not just a conceptual framework, but there are specific benchmarks that must be met. And in addition, the model chosen, or the mechanism chosen to effectuate paid family leave, must give preference to the following criteria. Coverage of all workers, gender equity, ease of application or claims, speed of benefit payments, sustainability, administration, data collecting capabilities, and compliance monitoring capabilities.

"So what we've tried to do is, while not necessarily mandating a specific model, we have tried to ensure that there are enough safeguards and enough mandates within the bill such that something reasonable and feasible is going to be implemented.

"And lastly, Mr. Speaker, besides something that I think is helpful not just for small businesses but also certainly for workers, as our population ages, and as we will continually have to confront, as a workforce, changing demographics with what millennials and their preferences would be, what I think is important to note here is that I understand the discussion and am empathetic, actually, to the small business community, but much of their testimony is predicated on the belief that they will bear every single cost.

"In the two models, at least that are talked about in this particular bill or referenced, much of the cost is actually borne by an employee payroll deduction. It's certainly fair for people, I think in the course of debate, to assume a worst-case scenario, but I think we also have to contextualize that for those who oppose paid family leave, they are understandably taking a worst-case scenario when they evaluate the fact that they assume they will bear every burden."

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

Representative Johanson continued, stating:

"Thank you. I can't speak to the obligations created by previous legislatures where businesses do have to bear the brunt of the cost, and so I do understand that their concerns are certainly valid, but I will say, it would probably be a mistake to assume, at least with paid family leave, that businesses will bear the entire brunt of the establishment of the program. So it's for all these reasons that I ask for support of this measure, that I also recognize is a work in progress. Thank you."

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

"Mr. Speaker, with reservations. Five pieces of reservations, Mr. Speaker. The first of which, if we go back to the hearing in the Finance Committee, the good Chair of the Finance Committee called out DLIR as, why are you testifying with this lukewarm endorsement? The possible confusion of what this is and how it's to be put together, and who's going to do it and how they're going to do it, is really questionable.

"Second reason, we're rushing to an implementation board, not a task force, which generally is the stage chronologically when we do these kinds of things. An implementation board, which means it's ready, fire, aim, which we often do here in the Legislature, Mr. Speaker. Why we're rushing this is confusing.

"Third reason, as has been brought up by my good colleague from Puna, the cost to the small guys. Not only the mom and pop, just the mom or just the pop, the one person. This is an entrepreneurial killer, Mr. Speaker. You don't want to put barriers, like the Europeans do, to make the hurdle to get into business so high that those who are already in business and they've made it, i.e. 80% fail the first five years, the 20% who made it, they're going to benefit from this because they can probably afford it.

"Fourthly, the structure that my good colleague from Moanalua just spoke of. He said there were 6 members out of 18. Well, the actual business people are going to pay for it, or pay the most of it, are the actual entrepreneurs, the others are ancillary entrepreneurs. But even granting if you get 6 out of 18, I generally shy from doing math in public, but 6 out of 18 is one third. When you stack a deck 65 to 35, Mr. Speaker, where's the stakeholders that is claimed to be engaged here, where are they being represented?

"Lastly, Mr. Speaker, as we do these studies, as we take in these remarks that have been on the floor today, I would hope the conference committee would be very deliberative, very purposeful to see some of the reservations that people have. Not just because of the business community, but because of the Department of Labor and other people in the implementation process, to find out a model that works well and can be implemented well. Thank you, Mr. Speaker."

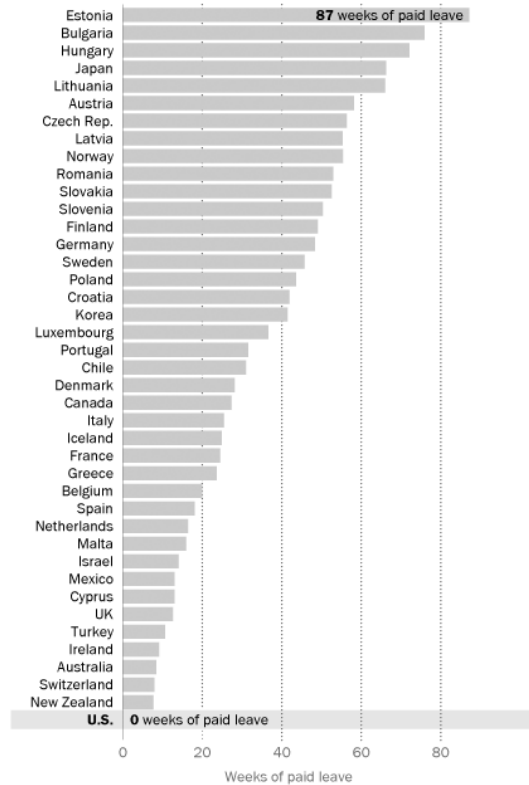
Representative Thielen rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm rising in support of family leave. Thank you. Mr. Speaker, I would like permission to insert a one-page chart into the Journal showing the 41 nations that do grant, it's parental leave in this chart. And at the very bottom, with a zero by it, is the United States. I think it's time that we change that statistic. And Mr. Speaker, it starts with Estonia, which has a significant amount of paid leave, and then Japan is fourth. So, we're down at the very bottom, and if I may have permission to have that inserted in the Journal. Thank you."

Representative Thielen submitted the following chart by the Pew Research Center:

Of 41 nations, only U.S. lacks paid parental leave

Total weeks of paid leave mandated by national government to new parents



PEW RESEARCH CENTER

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

"Mr. Speaker, I'm voting in support of this measure, but with reservations. I'm very, very concerned, not only about the small business, but for those first-generation immigrants. We've been through that, my wife and I are first-generation immigrants here in America. My wife being a medical doctor with a degree, her first job is babysitting, my first job is the lowest of the totem pole. If we come up with increase in, more or less, business expenses, *et cetera*, they will have a hard time getting into a job.

"And so they wish at least fix, more or less, to address the concern of the small business, so that then first-generation immigrants just like me will be able to get a job. Some work as yardmen, some work as landscaper assistants, whatever they can get. My advice to them, when they come to me, how to get a job, don't choose any kind of job irrespective of what degree you have in your country. Get the first job, work, and do the best thing you can and prove to them that you can do the job.

"If we come up with a lot more expenses for small business, then it's kind of hard for them to get in. If you go apply with the bigger corporation, they will look at your credentials. Those are the things that are more or less my concern about first-generation immigrants, and there's a lot coming to Hawaii. It is for that reason that I'll be supporting this bill, because it has a lot of merits, but with reservation. Thank you."

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

"In support, permission to insert comments in the Journal. Just in brief, my support is simply because we need real relief for working families. Thank you."

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, first I would like to thank the Labor Chair for his hard work on this issue this year. I would like to comment that the House version is much better. I fear that the implementation board will end up being stacked with business representatives. At the end of the day, it's not their job as businesses to protect our working families—that's our job as legislators.

"This bill provides for another study on paid leave, but the necessary research has already been conducted. The US Department of Labor has a full analysis on Paid Family Leave in Hawaii. I don't believe we need another study- we need real relief for working families."

Representative Tokioka 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.)

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

"Thank you, Mr. Speaker. With reservations and a brief comment. Mr. Speaker, while many small businesses have been struggling throughout these years, and the encouragement by the State and by others have always been encouraged for youth entrepreneurship, for small business administration, to get these guys on the right track. While I support the need for family medical leave, I look at what's in front of us today.

"Many small businesses, even on an island like Molokai that have struggled for many years, have been met with the same competition in transportation, in gas, in high electric, while an added cost, of what we don't know to date, will be added to another expense towards the employer, while those that have given sick leave and vacation, expanded out on TDI and temporary disability is also an option for these businesses to give towards their employees.

"Granting that we do have a few bad apples, Mr. Speaker, adding on another added cost without realizing the struggles of those that have existed today within the business community forces many of us to now try and hire another person in case of a family medical leave that is requested. And by all means, I've had to stand by and watch my own pass on, and take the day off, or several days off and weeks off to care for them.

"But at the same time, when we're faced with those that continue to abuse the use of sick leave and vacation and family medical leave, I hinder upon the imposition of these that are on small businesses, and would request that when we go into conference and deliberation, that whether or not companies that have 10 or less employees be looked at as another avenue to not impact those employees on a measure such as this. And I would like to add written comments to the Journal, Mr. Speaker. Thank you."

Representative DeCoite's written remarks are as follows:

"I have reservations on this bill because I have heard from many in my district who may be negatively affected by this bill because it will increase their costs of doing business. This bill will affect all employers, large or small; and will also impact all employees because they will have to make payments into this new Paid Family Leave Special Fund. Most benefits such as this are entirely employer paid, and I believe that Paid Family Leave may eventually have to be borne only by employers. One negative consequence if this bill passes is that employers may end up reducing their staff to pay for this additional cost; another negative consequence is that employers may reduce current benefits to pay for this new one. These negative consequences are not what we want or need.

"HD 1 also changes the lead agency on this bill and replaces the Department of Labor and Industrial Relations (DLIR) with the Department of Human Services (DHS). I believe that this should be given back to the

DLIR because it has the most experience in administering employee benefit programs such as Prepaid Health, Unemployment, Temporary Disability Insurance, and Workers' Compensation. I also recognize the need that employees have in taking care of their families, so I hope that as this bill moves forward, we will be able to find the right balance that we can all live with. *Mahalo.*"

Representative San Buenaventura rose to respond, stating:

"Sorry, second time. I would like to point out that, I would like to put written comments, but just a few brief remarks. Thank you. I would like to point out that I am fully in support of the Labor Chair's implementation board, I really admire the fact that he put that in to ensure that small businesses and tiny businesses are going to be taken into account. But I'd like to make sure that tiny businesses like mine, I am an employer, I have this tiny business, I used to have three employees, I'm down to one, barely, and that one employee, because I'm a legislator, whatever money comes in the door pays for her wages. So if she goes on paid family leave, there's no money coming into the door, which means I'm going to need to lay her off.

"So there are tiny businesses like mine where, because we love our employees, we want to make sure that they do have income, that even though we have separate sources of income or that we can retire, and I know that there are a number of businesses, family businesses where they do want to retire and shut their doors, but because they love their employees, they want to keep it open enough, but if there is no money coming into the door, there's nothing to pay for their wages.

"So the second thing I want to point out is that if we start doing this, there may be an unintended effect, and the example of that, and I'm speaking as an employer, who is a feminist, an example of this is our implementation of TDI. We did not prevent discrimination against women when we implemented TDI. Employers who pay TDI know that when they get their insurance premiums, they are requested, and we are required as employers to state how many women we employ. Few states prevent that kind of discrimination. And I'm afraid that if we pass this, the same people we want to protect, those who are the women who have children, who have family dependents who are dependent on them, are going to be discriminated against. Thank you very much."

Representative San Buenaventura's written remarks are as follows:

"Businesses know that the premium insurance fund mentioned in this bill is illusory like the healthcare premium supplementation fund which is rarely funded. Thus, I am concerned that this bill will adversely affect small struggling businesses of one employee, like lunch wagon owners, who are not big enough to absorb the expense of paying for the absence of one employee because they will need to hire another when they can barely afford one. I am concerned that in helping those who are in desperate need of a flexible job because of dependent care, they will in fact be discriminated against because an employer will not be likely to hire them in key high-paying positions under the fear that they will not be available. Until those concerns are taken into account, I will be voting with reservations."

Representative Ward rose to respond, stating:

"With reservations, second time. Mr. Speaker, what I heard was an excellent amendment on the floor from that last speaker from Puna. What I am saying is that for the counsel to those who are going to be on the conference committee, exempting the micro businesses, one to three employees, would be an honest and just adjustment of this bill. Thank you, Mr. Speaker."

Representative Tupola rose to respond, stating:

"Second time. I just wanted to also thank everyone for the conversation. I think what my colleague brought up from Hawaii Kai is that, I don't think we all are against family leave, I think we want it to happen, but in a way that people can bear it. And the implementation board could be a good idea, definitely, but what the concern is, is what would be implemented. Again, you could do it in the implementation board and kind of create it as you go, or you could have the statute pass where we know what the board would be implementing it and how they would actually support businesses through it.

"But I just wanted to share real quick that I agree with that symbiotic relationship between the employer and the employee. And one of the best stories, and I know I shared it, and I'm going to share it again because I feel like this is a prime example of just what the Representative from Puna said about how employers love their employees, and how we can find a way to actually reward that, find a way to embrace those employers that are actually taking in their employees just like family members, taking care of them. And Richard Tanaka of Tanaka of Tokyo, this is a really good restaurant, but he told me this story that when his employee, who they love, he said everyone in their whole company, he said, no matter how big my company gets, we all treat them like family, fell sick with cancer. He said, I paid his salary for a year and a half and he didn't come in while he had cancer and he undertook his operation.

"And all I'm trying to say is that there are businesses out there that take care of their employees just like family members, and that's what their concern is. Is knowing what the object would be that's being implemented so that they wouldn't be adversely affected if they're already doing even a better job than I think any state government program could come up with, and how we can reward those businesses while still bearing in mind that the businesses that are 10 employees and under or even smaller aren't adversely affected. Thank you."

Representative Say rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I request a ruling on a potential conflict? I'm a small business man with three full-time employees, and three sales commission members," and the Chair ruled, "no conflict."

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

"May I just record a with reservations at this point. I realize that the defective date is 2050, and I hope the conferees of the House will try to support the small business which is the backbone of the State of Hawaii. I would also like to request that the conferees also consider that we here, as Members of this House, all 51 members will be employers, and I hope this particular issue will be addressed in more of the bigger corporations and the unions, that they could negotiate family leave as part of collective bargaining.

"But the unintended consequences will be, if it is a mandate in our insurance policies, it's an increase for all of us, as far as paying for that, too. It's going to be part of the overall package of the EUTF. All of this are the unintended consequences that you folks should be aware of. Any mandated benefits, as far as family leave, is going to cost the employer more. And at this point I'll be waiting to see what the conference draft is. I am a with reservations. Thank you."

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

Representative Tokioka rose to respond, stating:

"Thank you, Mr. Speaker. With reservations again. But real quickly, on Kauai we have a lot of small businesses, and I know the intent of this bill is good, but some of the discussion that happened earlier when it pertains to small businesses. I have a lot of small restaurants in my district, and I know one of them is close to Aunty Jane Dobashi's house, but they have three employees, and if one of those employees are gone at Po's Kitchen, it's going to be very, very difficult for her to operate that business, and I know that was brought up a lot today.

"So for those types of concerns, I was a previous owner of three restaurants. We did pass the minimum wage without the tip tax credit for those small businesses, and so, if you look now in the media throughout the state, a lot of restaurants are closing, and some of them have reached out to us to share their concerns about the small businesses and how they cannot make it on some of the laws that we pass. So for those people, I stand with reservations, and hopefully, as Speaker Emeritus said in his speech, I know the defective date is in there, but I hope in conference we can fix some of those things that were brought up on this floor this morning. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support, a few brief comments. Thank you, Mr. Speaker. In addition to the nation's reported by the Representative from Kailua, I would add that paid family leave is becoming more common amongst our own sister-states, California, New York, Washington, Rhode Island, New Jersey. Of these, two, California and New York, some of the most populace states in our country. So paid family leave is becoming a norm. And for the 247,000 family caregivers that this could affect, and the children and *kūpuna* who could be affected because of this, this is a measure that we should pass, and continue to discuss.

"Second point, Mr. Speaker, in rebuttal to the comment that we're rushing into this and where is the opportunity for individuals and different stakeholders to participate. Through the framework created with the implementation board with benchmarks and with specific reports to the Legislature over a period of three years, we have addressed those concerns. Finally, Mr. Speaker, third and last point, this bill is going into conference, so many of the good points noted here on the floor can be taken up by conferees. Thank you, Mr. Speaker."

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

"In support. I do have a few issues with the implementation board, how there's only going to be one recommendation to the Legislature after they're done convening. And it seems like, in the interest of fairness, we always talk about bringing the stakeholders to the table, but when you do that and you don't account for power dynamics, whoever comes to the table with the biggest bags of money and the best lawyers and the most existing power ends up prevailing. So we need to do more than just bring all the stakeholders to the table. Even if they're just a few from the chamber or the business community, they will have a lot more power than community advocates at the end of the day, so it would be nice to have a few options come out at the end of this in order for the Legislature to consider.

"Because, when we talk about our sister-states who have already passed this law, they're a lot stronger than some of the things that's been discussed throughout session. If you watched the State of the Union, Donald Trump supported paid family leave, right? So what does this paid family leave proposal look like? Is it a social insurance model? Is it a TDI model? New York passed a TDI model, that's what it seems like it's leaning here in Hawaii. New York passed one, but they had a government program already for TDI. Ours goes through private insurance, which would be costly, not just to the worker, but to the employer as well. So how do you create a system that's fair to all?

"And I should also note that what employers need, what business owners need, as well as low costs, is customers. And our state, over 30% of us now, aren't meeting our basic needs, 40% of our jobs aren't living wage, don't pay living wages. So how are people even going to go to restaurants anymore? I'm eating out a lot less, right, than I used to. So let's keep that in mind, that small businesses, with all due respect, aren't the backbone of the economy, workers are. Workers create, labor creates all wealth, right? And with all due respect, if you cannot afford, we need paid family leave now, and if you can't afford paid family leave, then you cannot afford to do business in Hawaii. Thank you."

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

Representative Tupola rose, stating:

"I'll be changing from no to with reservations. 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. 2990, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FAMILY LEAVE," passed Third Reading by a vote of 50 ayes, with Representatives Cachola, DeCoite, Har, San Buenaventura, Say, Tokioka, Tupola and Ward voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1989-18) recommending that S.B. No. 2524, SD 1, HD 1 pass Third Reading.

Representative Belatti moved that the report of the Committee be adopted, and that S.B. No. 2524, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"Thank you, Mr. Speaker. At this time, I rise in opposition. Thank you. I'm a strong believer that agricultural land should be used for agricultural purposes. I know this bill is well intentioned, the Honolulu Department of Planning and Permitting wants to stop people from subverting or disobeying zoning laws on Ag land, and so do I, Mr. Speaker. But unfortunately, I don't think that's what this bill does.

"As the law currently stands, a CPR property has the same requirements, restrictions and amenities as the larger subdivision it's a part of, no more, no less. Land use, zoning, density, permitting, building codes, infrastructure, all of these very important things are determined at the subdivision level, through county zoning and permitting. The CPR process changes none of them. That fact helps make the current CPR process safe for those like me who want to keep agricultural land for agricultural purposes.

"But this bill threatens to change that. It would take the CPR process and turn it into a new subdivision process. The land would be treated not as a part of the larger subdivision, but as a new subdivision. That means requiring more urban infrastructure on ag lands, such as streets, street lights, gutters, and maybe even water lines and sewer lines. This isn't preventing development on ag lands, it's helping it happen. Requiring so much urban infrastructure on ag lands is a slippery slope to non-agricultural uses.

"This is an issue in my district that many are very concerned about, and if we put in all of this residential infrastructure, it only makes it easier in the future for more residential homes to go up where they shouldn't be. As the saying goes, if you build it, they will come. That's to say, if we require residential infrastructure on our ag lands, eventually we'll end up with residences. As the Hawaii Cattlemen's Council put it, cows don't need streetlights, and neither do our farmers and ranchers.

"If the problem is that many buyers of CPR ag lands are misinformed, then we need to give them more information. On the other hand, if the problem of CPR ag lands is that they're threatening to break or subvert the county zoning rules, then we need to enforce those rules. Requiring urban infrastructure on ag land isn't the solution to the actual problem here. And for that reason, I oppose this bill. Thank you, Mr. Speaker."

Representative Nakamura rose to disclose a potential conflict of interest, stating:

"May I have a ruling on a potential conflict of interest? I own a CPR property, and my husband's law practice sometimes involves CPRs," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, we heard a lot on this measure, and while this has been a Honolulu issue, and maybe everybody else but Maui County, just to be clear, I believe that those that have opposed it in Maui County, whether it be the landowner, the realtor, and the farmer or rancher, they're opposing it on two separate issues of opposition.

"I think the intent here is to really catch the fake farm, to catch the urban sprawl out on ag lands. But at the present state of this bill, it's also to identify the unit on that ag land. As many of you know, whether you're a rancher or a farmer, some of those units consist of stalls, horse stalls, sheds, packing facilities. These all become an issue of trying to really identify what is the unit on those ag lands. I think even to the possibility that the request would be at this point to carve out Maui County, so Maui can sit down and have

further discussion on the ag land itself, as well as the CPR. And I would like to also insert written comments to the Journal. Thank you, Mr. Speaker."

Representative DeCoite's written remarks are as follows:

"I am voting in opposition to this bill because it appears to fix a problem that only the City and County of Honolulu has. It is a statewide fix for a Honolulu County problem. The Hawaii Farm Bureau testified that this bill will hurt rather than help farmers. Maui Mayor Alan Arakawa offered comments and stated that the State should not mandate county zoning restrictions. I think that Honolulu can fix their problem through their own county zoning codes and that Maui County should be exempted from this bill. *Mahalo.*"

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

"I stand in support. I'd like to just point out that my understanding of what lawyers have been doing for years was, this was a way for them to get around, this was an end-run against the county subdivision requirements. So what my problem with this bill, and I'm hoping it gets fixed in conference, is that it may be unconstitutional as an *ex post facto* law, because it refers to existing CPRs, instead of preventing CPRs moving forward. For those reasons, I stand in support, but I hope they fix it. Thank you."

Representative McKelvey rose in support of the measure with reservations and asked that the remarks of Representatives DeCoite and San Buenaventura be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"No vote, brief comment. Mr. Speaker, in the Finance Committee there was a rather lengthy, heated debate, and the bottom line of it was, leave us alone, this is home rule issue. If Honolulu's got a problem, let the Honolulu City Council fix it. As my good colleague said, cows don't need streetlights.

"I think the counties have that ultimate control, they have property taxes, they should be able to handle this. Everybody testified against the bill, except the City and County. And, Mr. Speaker, you know the City and County comes to the State for a lot of things. I won't mention the rail or other things like that, but they're dependent upon us because they themselves can't settle the issue. Airbnb is another issue. So Mr. Speaker, let the counties prevail, let the home rule persist. Thank you."

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

"Standing with reservations. While I support the efforts of the City and County of Honolulu to address illegal residential dwellings on agriculture and preservations districts, I believe there are unintended consequences that need to be addressed. For local families on Kauai that are land rich but cash poor, CPRs are the only economical way to divide family property.

"Mr. Speaker, it should be made clear that CPRs must follow the underlying zoning codes, building codes, and density regulations. However, CPRs do not have to follow subdivision regulations, which can be very costly. This bill would negatively affect Hawaii's housing market by eliminating a significant portion of real estate inventory of condominium units on the market. In addition, this bill does not define equivalent subdivision requirements. For these reasons, I stand with reservations."

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

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

"Thank you, Mr. Speaker. With reservations, and I'd like to adopt the words of the Representative from Kauai and just add that if there's an issue with the CPR process that Honolulu City and County feels that they're powerless to deny your request, that it just involves filling out a form, maybe

they should look at fixing that instead of creating this new process for subdivisions on ag lands. Thanks."

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

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

"Thank you, Mr. Speaker. Please register a no vote. Similar concerns about the CPR process, thanking my colleagues from Kauai as well as from Kona on bringing up the fact that it wasn't just the City and County of Honolulu that testified in support, it was DPP. So, just the planning and permitting division that can't say no to people, which, again, no other county had this issue except for Honolulu County, and that's why we're saying that it should be put at the county level.

"The second part of it, which talked about the affordable lands, what the Representative from Kauai brought up is true, is that the CPR process actually makes it affordable where ranchers can swap land, and it makes it in such a way that it's a valuable tool. They use this to raise capital by selling pieces of property to other farmers, and then likewise they use it when they need to expand their production.

"One of the parts that the HD 1 draft did bring back, unfortunately it was just in regards to the structures in congregate use, and so what it talked about is that these congregate pieces of land, that farmers wouldn't be able to share that anymore as part of this CPR re-division process that we're talking about. Long story short, all we're trying to say is that we're really micromanaging an issue that should persist, and if DPP has a problem with it, they should fix it. But this sharing of land, CPRing land and utilizing it for other farmers to benefit their crops, their productions, sharing pieces of equipment and tools, all of this is necessary for us to help our farmers.

"And speaking out for my district, in which we do have a lot of farmers that are still trying to make it, still trying to pursue agriculture, still trying to double the food production for our state. We definitely need to look out for them in regards to something like this that could make it very costly for them. 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. 2524, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTY LAND USE REQUIREMENTS," passed Third Reading by a vote of 43 ayes to 7 noes, with Representatives LoPresti, Lowen, McKelvey, Nakamura and Yamashita voting aye with reservations, and with Representatives DeCoite, Evans, Matsumoto, McDermott, Thielen, Tupola and Ward voting no.

At 10:45 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 2783, HD 1
 S.B. No. 2087, SD 2, HD 2
 S.B. No. 134, SD 1, HD 2
 S.B. No. 270, SD 1, HD 2
 S.B. No. 901, HD 1
 S.B. No. 2740, SD 1, HD 2
 S.B. No. 2100, SD 2, HD 2
 S.B. No. 2910, SD 2, HD 1
 S.B. No. 2571, SD 2, HD 2
 S.B. No. 2705, SD 2, HD 2
 S.B. No. 2653, SD 1, HD 1
 S.B. No. 2654, SD 2, HD 2
 S.B. No. 2293, SD 2, HD 3
 S.B. No. 2424, SD 2, HD 1
 S.B. No. 2990, SD 2, HD 2
 S.B. No. 2524, SD 1, HD 1

At 10:45 o'clock a.m., Representative Belatti requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:51 o'clock a.m.

THIRD READING

S.B. No. 2582, SD 1, HD 1:

Representative Belatti moved that S.B. No. 2582, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"In strong support, brief comment. I know I comment every single time, and I think I'm going to have to do that all the way up until this becomes a law just to continue to speak out on behalf of families and victims that have been part of a lot of different incidents that happen in our community. This bill sends a strong message to our constituents about our stance against failing to render aid to an injured person when involved in a collision.

"The current sentence for hitting another person while driving intoxicated is only about two to three years of imprisonment, plea deals aside. By increasing the sentence when failing to stay at the scene and rendering aid, we will allow for a more fitting penal consequence for this catastrophic violation of the law. Each year, 28 pedestrians die in Hawaii due to a vehicular accident. On the Waianae coast alone, we suffered 100 in car crashes per year, of which 50 involved pedestrians.

"One pedestrian, who was mentioned many different times, Kaulana Werner, graduate of Kamehameha Schools, was killed on the side of Farrington Highway, while the person was too impatient to render aid, and that could have saved his life. Just this past February, two men were killed in a hit-and-run crash in Makaha, leaving them fatally injured, the two young men who were changing a tire on the side of the road. Just last month, a 74-year-old man and Waianae resident was dragged underneath a car five miles after being fatally struck, and the person who hit him didn't even realize until they got to work that they had killed somebody.

"Given the lack of road safety for our pedestrians, we need to let the drivers know that they are held responsible to the fullest extent when causing an accident, and that they should stop and render aid. The families of these victims deserve justice and proper closure upon the unnecessary death of their loved ones. In the quote of King Kamehameha's splintered paddle, *e hele a moe i ke ala*. Everyone has the right to feel safe along the path. Thank you, Mr. Speaker."

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

Representative Gates's written remarks are as follows:

"On April 24th, 2016, Kaulana Werner's life was tragically ended in front of his family home when he was struck by a drunk driver in Nānākūli. The driver fled the scene, showing no remorse and a callous heart. Kaulana was 19 years old and was said to bring joy to all that encountered him. The driver is still free, and any punishment she is likely face will hardly provide solace to the survivors.

"This past President's Day weekend, the Wai'anae community lost two young residents that were loved by many to a hit-and-run incident in Mākaha. My heartfelt condolences go out to the Ragsdale and Mole 'ohana for their tragic loss of Jonah and Daniel.

"The Werner, Ragsdale and Mole families deserve better. Our community deserves better. We demand safe streets for our residents and punishments that not only fit the crime, but serve to deter future criminals.

"On this almost second anniversary of the death of Kaulana Werner, let us honor these victims and their families by passing Senate Bill 2582. This measure will increase the maximum prison sentence for any individual that flees a crime scene. This bill will help bring justice to community members who have lost loved ones through hit-and-run incidents and serve as a warning to others by showing that harsh consequences do exist when the life of another is taken so needlessly."

The motion was put to vote by the Chair and carried, S.B. No. 2582, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EXTENDED

TERMS OF IMPRISONMENT," passed Third Reading by a vote of 50 ayes.

S.B. No. 2461, SD 1, HD 1:

Representative Belatti moved that S.B. No. 2461, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

Representative LoPresti's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this bill. Fake service animals can create very real problems for legitimate service animals. Legitimate service animals are highly trained to the tune of \$20,000-90,000. Fake service animals have been known to distract and accost real service animals, which can cost thousands of dollars to the disabled handlers to get them re-trained. If the service animal is traumatized enough by the incident, re-training is ineffective, and the handlers are left with no other option but to get a new service animal. These people aren't bringing their animals into stores for fun, or because they get lonely—the people who use service animals have debilitating disabilities and literally can't function in their daily life without them.

"Titles II and III of the Americans with Disabilities Act makes it clear that service animals are allowed in public facilities and accommodations, but emotional support animals, comfort animals, and therapy dogs are not service animals under Title II and Title III of the ADA.

"I believe it is a disservice to Americans with disabilities if we allow individuals without disabilities to bring untrained animals in restaurants, stores, and public facilities as if they were service animals."

The motion was put to vote by the Chair and carried, S.B. No. 2461, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE ANIMALS," passed Third Reading by a vote of 50 ayes.

S.B. No. 2719, SD 1, HD 1:

Representative Belatti moved that S.B. No. 2719, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

Representative Thielen's written remarks are as follows:

"I am in support of this bill, but I believe we should go much further than this temporary measure.

"Child sexual abuse remains a serious problem in Hawaii and across the nation. According to the National Sexual Violence Resource Center, one in four girls and one in six boys in the United States will be sexually abused before the age of 18 years old.

"All too often, the victims of child sexual abuse withhold disclosing the truth about their experiences until they reach an adult age. This can happen for any number of reasons, including fear, disbelief, anger, helplessness, betrayal, and anxiety. These feelings are not the victims' fault.

"Some studies have estimated that between 60% and 80% of child sexual abuse survivors withhold disclosure. Of those who withhold disclosure of their victimization until adulthood, the average delay is approximately 20 years, with some survivors delaying up to 50 years.

"We know from recent revelations in the news that it is not unusual for monstrous crimes to remain secret for decades. Larry Nassar, the former USA Gymnastics national team doctor, committed criminal acts of sexual assault against at least 250 girls and young women over 30 years. The first woman to publicly accuse Nassar of sexual assault was Rachael Denhollander, who was 15 years old at the time of the assault and came

forward 16 years later, at the age of 31. Many other victims remained silent for even longer.

"Even closer to home, we have the horrific example of Robert Browne, the former school psychiatrist who drugged and sexually assaulted an estimated 50 young boys at Kamehameha Schools over the course of 27 years, from 1958 to 1985. It wasn't until 1991, 14 years after his own abuse ended, that Emmett Lee Loy first confronted Browne. And it wasn't until 2014—almost 30 years after the last assault—that a lawsuit was filed.

"Hawaii's current statute of limitations requires that a lawsuit be filed within eight years after turning 18, or three years after discovering an illness or injury caused by sexual abuse. Under that law, Rachael Denhollander would not have been able to seek justice against Larry Nasser in the courts, and neither would most of Nasser's other victims. Nor would Emmett Lee Loy, or any of Robert Browne's other victims in the Kamehameha Schools. I cannot condone a law that would stand in the way of granting these people relief, because we know that there are sadly many others like them.

"For these reasons, I believe that Hawaii should permanently eliminate the statute of limitations that restricts the time in which lawsuits stemming from child sexual assault may be filed. Other states that have taken this step include Utah, North Dakota and Maine.

"It is not equitable for our state to have a system of law that punishes a victim of child sexual abuse for not coming forward immediately. We owe the survivors a fair chance to obtain justice against abusers, no matter how long it takes them to disclose their suffering. I believe we should look to the victims of Larry Nasser and Robert Browne for guidance. We should make sure that our system does not stand in the way of justice when such monsters are exposed."

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

"In support, brief comment. I definitely think this is necessary, and I think that lifting the statute of limitations so that these cases can be heard is important. However, I do think we should consider lifting it altogether. There are some states that have no statutes of limitations, there are others that have two years, three years, seven years, every state it depends. But as you know, with a certain case that happened with a private school on our island, and it's still pursuing, some of the victims have actually passed away because it's so old, I do think that we should consider even further action. Thank you."

The motion was put to vote by the Chair and carried, S.B. No. 2719, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL VIOLENCE," passed Third Reading by a vote of 50 ayes.

S.B. No. 2922, SD 1, HD 1:

Representative Belatti moved that S.B. No. 2922, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"Mr. Speaker, I stand in support with some reservations. Who can be against the teachers? Mom and apple pie, right? And of course, letting the people decide was a chant that I participated in a few years ago. So it'd be somewhat hypocritical of me to vote against this.

"But Mr. Speaker, we need to look to where this money is going to come from. When we say investment properties, we all visualize a mansion on the beach in Kailua, my colleague to the left's district. That's what we view, a vacation rental, something like that. But the reality is, this is going to come from three story walkup apartments. 2238 Kaluaopalea Street in Kalihi, nestled in the lovely area behind Marukai and a gas station. That is not a transient accommodation, but it is an investment property. There's 30 units there, and they're all rentals. Entry-level rental properties, concrete cinderblock walls, tile floors, that's what people there rent.

"They just saw their taxes go up because the assessment on the building went up by 4.5%. The landlord is not going to eat that. The first opportunity

he has to raise your rent when you come up for renegotiation, whether it's a year lease or six months, he's going to add that on, because that's what people do, that's human nature. These people are at the low end of the income scale. It is a struggle for them to pay rent every month. That's an investment property worth over a million dollars, about \$4.5 million, that now we're going to tack on a surcharge. Now, does anybody think the owner is honestly going to eat the surcharge out of a gesture of goodwill? Of course not. He will pass it on to the renters.

"You drive down the road into Waipahu, the Pupus, look to your left as you're going Ewa, the Pupus, the entire area, I would venture to say most of those folks are on welfare and food stamps living in those apartments, barely making it. Those are not transient accommodations visitors renting those for a weekend here. Those are low income folks barely hanging on, and their rent is going to go up. They've just seen a bump or will see a bump because the property values are exploding on the island, and now we're going to hit those people with a surcharge.

"I own my home, I'm not going to be affected, but those folks will. At the bottom of the ladder, the very bottom, we're going to hammer them, because the landlord will pass it on, that's what they do.

"Now, some folks can get Section 8, but that thing is always maxed out, and there's always a waiting list for folks to get Section 8, some sort of subsidy or relief to help them. Then my concerns would shift to the implementation, right? The devil's in the details. The next Legislature is going to come back and decide, if this passes, how it's going to be implemented. I would have preferred if the committee report would have put an intention in there, that we intend that 100% of this tax raised would be added to the baseline, a certain baseline that the Legislature has provided over the past three years.

"But the reality is, we could raise X amount of dollars from this tax and then subtract X amount of dollars from our general fund commitment. This is what has happened with lotteries all over the mainland. We're going to have a lottery for education, we'll raise \$50 million and then they take \$50 million out of the back end from the State's commitment, or they take \$25 million, say, look you got \$25 million more. Well, yeah, but we wanted the whole \$50 million. Well sorry, too bad. That's the reality. I wish we would have had something stating our intent in the committee report to that.

"And then secondly, it doesn't say where it goes. Is it for infrastructure, buildings, classrooms, physical, tangible things we can touch and feel, which we know we're years behind in? Or does it go to salaries? What does it go to? It's nebulous, it goes to whatever, at some point in the future. I wish the committee report would have had more specificity with the intention of this body regarding this tax and where it's going to go in future."

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

Representative McDermott continued, stating:

"Is it five minutes already? I can't believe it. Sorry about that. Well, I'll wrap up. Anyway, those are my concerns. So, we're going to hit the poor disproportionately, there's no question about it. The illegal rentals that are being rented, I mean if we could find out who the heck they are, that's one thing, but we have scores and scores of three story walkups across this island, entry-level rentals just going to get hit with a property tax increase, now we're going to hit them with a surcharge. These folks can't afford it.

"And then the lack of clarity in our intention. Our intention should be 100% of this new money goes on top of the three-year rolling average of what we have appropriated towards the DOE in the last three years, but that's not there. So when this new money comes in, we can pull it out the back end. I fear that may happen, but who knows, because it's the next legislative body that will make that decision. If we left them some instructions in the committee report, it would have been helpful to them. And with that, I'm done, sir."

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

"Thank you, Mr. Speaker. In strong support. Year after year, Hawaii's public school students continually rank in the bottom few states in reading

and math, and our teachers are the worst paid in the nation. Here in paradise, where public education spending is the lowest in the nation, we're the only state that doesn't use property taxes to fund public education, despite having some of the lowest property tax rates in the nation. We are actually a tax haven, Mr. Speaker. The property here in Hawaii is a tax haven for the wealthy to buy up property, pricing out local buyers and increasing the cost of living for everybody. It's far past time that we look at addressing some kind of disincentive on investment properties to try to make sure that property is more available for locals.

"The idea is a legitimate concern that, I don't think we want to see the cost passed on directly to low-income renters, and there's ways that we can address that with the yet-to-be-formed underlying legislation, should this pass. We can, for example, say that if the rental is provided at an affordable rate, then the investment property is taxed at a different rate. We can do lots of things like that to make sure that it doesn't pass on to our most vulnerable economic citizens.

"But the bottom line is this. Our students deserve better, our teachers deserve better, the principals deserve better, and the parents who put their trust in the State to educate their children, they deserve better. And this is a mechanism to do that. All the bill does is put the question on the ballot for voters to decide, and we should let them do that.

"My last statement is, I agree with what the previous speaker said about we should, I think, be clear with whatever underlying legislation that may come after this, that 100% of that money raised goes to a baseline, because budgets are fungible, and I don't think we want to do that. We want to make sure we're adding, not just supplanting the budget. Thank you."

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

"Thank you very much, Mr. Speaker. In support with reservations. Thank you very much, Mr. Speaker. I know the speakers after me and the speakers before say that education needs more money. As your former Education Chair for 15 years, I think my record shows that I've always advocated for increased funding for the Department of Education. As a matter of fact, I introduced, over a number of years, legislation to increase the general excise tax so that we can better fund our schools. I'm afraid, though, I have two major concerns with this approach.

"The first is that it amends our State Constitution to go into property taxes, an area in which counties historically have done exclusively, and I think we all know each county has developed their own property tax scheme independent of each other. That is why when you go to the County of Kauai, they emphasize more residential property taxes. If you go to the County of Maui, they emphasize more on the hotel property tax side. What we will do with this, obviously, is we will have to invoke a property tax that's applicable to the entire state in a one-size-fits-all system that I am concerned it will impugn the integrity of what has developed in each individual county, who are sensitive to the needs of their community.

"Secondly, the State definitely would have to stand up a property assessment department, and I haven't gone and did a survey as to how many employees are employed by each county to assess property taxes and collect them, but I suspect it's in the hundreds. We would have to do the same. If we went down the road of increasing taxes, whether it be on income tax, which is progressive, on a general excise tax, which we could take care of people who can ill afford an increase in the general excise tax, on the TAT. There are other mechanisms in which we could employ that would not require the hiring of hundreds of new employees to stand up a new department.

"Secondly, the other concern I have is that the original proposal for this, Mr. Speaker, was to increase the tourist accommodation tax, the TAT, and in some measure, investment property. The TAT is no longer on the table. The TAT was projected to provide the majority of the anticipated revenue to help the Department of Education. This would require hundreds of millions of dollars, Mr. Speaker. I'll give you one small example. If all of us are in favor of universal public preschool, just the mere fact that the department would need 500 new classrooms over a period of years, that price tag alone is \$700 million. So we're talking, we need a real infusion of

real money. But once the TAT was taken off the table, we have to rely solely on the property tax.

"Previous speakers talked about the kind of exclusions we can have. Please remember that the original proposal had over a dozen exclusions, seniors on fixed incomes, disabled people, renters who pay \$1,500 or less. Well, the pressure for the Legislature next session is going to be to exempt those kinds of properties that the previous two speakers alluded to, small mom and pop businesses who can ill afford an increase in their property tax, maybe hospitals, maybe restaurants, maybe hotels. Once you start building up the list of exemptions, proportionately the amount of revenue that's available is going to shrink.

"I do not think we should venture down this path, if in the end it ends up raising \$25 million or \$15 million out of a DOE budget of over \$1.6 billion. We have to get serious about this, and the only way to get serious about this is to really broaden the applicability of that property tax. That's going to be our challenge next session. Let me end, Mr. Speaker, by saying once again, I support increased revenue for our teachers, our parents, our community, and our schools, I'm just concerned whether or not this is the best way to do it."

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

"Strong support. Couple weeks ago I tweeted that teachers in Hawaii are paid the same as teachers in Nevada, except in Nevada the median rent for one bedroom is \$910, over here it's around \$1,600, not to account for the wages, the cost of milk, normal things, groceries is outrageous over here. So, apples to apples, by far Hawaii teachers are the lowest paid in the nation, and that tweet got like 2,000 likes, like people are sympathetic. Like the people of Hawaii are ready, so I think we pass this and then test it out.

"But I wanted to address some of things that were said on the floor. So, we're talking about property taxes and the Constitution, to fund through the State for education. It was mentioned as a bug of this bill, I think it's more of a feature, it's about damn time.

"Secondly, there's a statement about having to do a new department of taxation to assess property values. Just use county data. Like the previous speaker said, it already exists in the county, there's no need to be redundant. Also, look, the counties came to the State to ask for a state tax last year for a county function. We're just returning the favor, y'all.

"Next, I wanted to talk about rent and walkups. We don't have to tax or assess the property based on the TMK, that's not usually how it's done, it's per unit. And if you're renting a unit that's over a million dollars, you're not the least among us. Lastly, oh no, that's all I got. Let's let the people decide and let's pay the teachers what they deserve.

"I came from the public schools, up until I made it to Kamehameha. These teachers are some of the, I can't even tell you what a difference they made for my life. After my dad passed away, my public school teachers would drive me to football practice, they'd keep me after school, and they didn't get any bonus pay for this, they're just really passionate about their jobs. And I think Corey Rosenlee from the teachers, during one of the testimony from the HSTA president, he said, I asked one of the teachers, would she quit her second job if she were to get a raise, and she said, no, but I'd quit my third one. This is out of control. So, let's move this bill. Thank you."

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

"Thank you, Mr. Speaker. I have strong reservations. First of all, I'd like to say that I am in favor of a surcharge assessment on real property for education, but I have concerns. And first, my concern is that we're going to be amending the Hawaii Constitution, and if we're going to be doing that and asking everybody in the State of Hawaii who can vote to weigh in on this matter, then to me the question should be, should we have a surcharge on real property, period, and leave the decision on what real property we're going to add a surcharge to up to the Legislature. I think that is the most appropriate, and that way we can determine how much money we want to raise, how it affects the bottom line of what we already allocate from the

general fund to education, and it'll raise the funding for education that we feel is appropriate.

"Secondly, the surcharge is only, at this point, on investment property. And because it's only on investment property, it's not going to be fairly assessed throughout the State of Hawaii. There's going to be communities within the state that will have absolutely no effect, although they may impact education a lot in their particular area. To me, this uneven distribution will cause many in our community to have ill feelings about this kind of an assessment. If we're going to be assessing a surcharge, then it should be applied to all real property and let the Legislature decide as to which properties would be affected, and how much they would be affected. So with that, I still have strong reservations on this bill. Thank you."

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

"Mr. Speaker, strong support. Thank you, Mr. Speaker. I'm not going to spend a lot of time focusing on the schematics of this particular proposal. I will just say, Mr. Speaker, that the definitions are in fact broad, to allow the Legislature the maximum flexibility so that adjustments can be made accordingly, if in fact this is ratified. That was, in fact, purposefully done, because I think the last thing that any of us want to do, Mr. Speaker, is to inadvertently hurt working people. To me, anyway, I think that this is the more responsible approach. And yes, Mr. Speaker, this is a funding mechanism that has never been used before, but also, Mr. Speaker, in my mind, we just can't keep looking at these static parameters as barriers and expect to move forward with higher results. We've got to move forward into the future.

"And it is true, Mr. Speaker, that Hawaii is the only such state that does not use this type of funding mechanism. It's the only state in the country that the county municipalities do not have to provide any funding for our public schools, in the entire nation, Mr. Speaker. So instead, Mr. Speaker, I'm going to spend a little bit of time just talking about what this can mean for the future. It's a question, as my colleague had articulated. That is what it is, Mr. Speaker.

"So let's take a look at what public education means more broadly. Well, Mr. Speaker, education, as we all know but sometimes need to be reminded, impacts all facets of our life. There is a direct positive correlation between education and income. So as your educational attainment grows, so does your earning potential. This in itself, Mr. Speaker, I believe helps out our community in countless ways. Fewer homeless, decreased dependency on social services, fewer people in and out of our prison systems.

"There's also a direct correlation, a direct relationship between increased educational attainment and even health. The healthier our communities are, the more productive they can be, and the more active they can be. Increased educational levels also lead to greater political participation, which can lead to better governmental policy on all levels.

"And Mr. Speaker, if I may be permitted just to diverge a little bit and share a story, about a year ago in my home on Maui, I was sitting on the couch with my son and we were watching CNN. And this was around the time that the gentleman, the doctor, was forcefully removed from the United Airlines flight. And as my son and I watched that video clip over and over again, just watching and observing, my son said, dad, can they do that? And I paused for a second, because I wanted to give a thoughtful response, and I said, well, legally they can remove the man from the plane, even if he's paid for the ticket. So then my son responded, yeah dad, but it wasn't right how they did it. And I said, yes son, it was not correct how they did it. So Mr. Speaker, some of our kids have the opportunity to have these types of discussions."

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

Representative Woodson continued, stating:

"Thank you so much. To have this increased opportunity to create themselves critically. They can develop this critical thinking inside the household. In this particular type of discussion, there was questions, distinctions between legal and illegal, there was distinctions between legal but not righteous. But Mr. Speaker, there are tens of thousands of our *keiki*

throughout the state and all of our communities that simply are not afforded this opportunity. The only time they spend with an adult is in our public school systems. That time to develop their cognitive capacity, so they can have these essential skillsets, the ability to think critically, to articulate your voice, is important as we work together to shape our future.

"I can speak very briefly about preparedness, Mr. Speaker. How prepared will our *keiki* be to compete in this new global economy? How well will our state be able to compete if we don't spend a concerted effort, time, energy and resources, focusing on our school systems? By extension, how prepared will our country be? What will happen if the State of Hawaii, and also our nation, fail to prepare the next generation? How will the rest of the world suffer?"

"So Mr. Speaker, thank you for your indulgence. In all of this time at the nucleus is public education, public education. So Mr. Speaker, it's simply just a question. Do you want to better support our *keiki* in this way? For all our futures. So Mr. Speaker, I ask my colleagues for their support, I humbly ask that we pass this proposal."

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

"Thank you, Mr. Speaker. In support. And I do understand some of the concerns, and just following up on some of what the Representative from Volcano said. In most other states, the county or local governments can access things that here we consider state taxes, like a hotel room tax, and vice versa, in other states the state has the ability to do special assessment districts and put surcharges on local taxes.

"So what we do here is actually really unusual. And so, yeah, it would require amending the Constitution, and maybe some here consider it uncharted territory, but it's actually a normal way to deal with taxation in almost all other states. And what it would enable, to open up these tax sources, is to eliminate the conversations we have where the counties are like, these are our taxes, and the State is saying, these are ours, those are yours, and then when we have to look at the times when we do need to find a way to raise revenue, we're not looking at the potential sources of revenue in a holistic way. We're thinking, well we'll raise theirs instead of ours, or the county is saying, well we'll try to get the State to give us some money instead of us raising our taxes. And the reality is, at the end of the day, it's the same people, the same constituents, the same citizens of the State paying this money, and that we should have the ability to look at everything all together and figure out the best way to do it. Thanks."

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

"Thank you, Mr. Speaker. I rise in support. All of us believe that education is extremely important. My father is a teacher at Nanakuli High School for the past 30 years and has been very dedicated to his students. I myself am a product of the public school system from Mililani, and give him a few years, but my son will also be in the public school system. And I'm voting yes on this bill because I believe that people should have the right to vote and have the right to decide how education will be funded.

"I will mention that I do have a few concerns that I mentioned in committee. I'm concerned with the ballot question, that people may not have a complete understanding of exactly how this surcharge will be applied, because there are no amounts stuck in the bill or in the ballot question. There's no specific amount for what the surcharge on investment real property would be, and so they might not know how this amendment will affect them when they're voting on this bill.

"I completely support funding education, and this is why I am voting in support to allow people to vote, to have their voices be heard on how they want to fund education. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. So I think it's very clear, when I was considering this piece of legislation even last year and over the interim, that it is quite messy. I'm in support, by the way. So the question for me is, if we're going to pass what's maybe a messy solution and a complicated one,

are we at a point of desperation? And I think that it's very clear, and I don't think many of us here would disagree that we are at that point.

"My high school, I'm a third-generation graduate, and our football field, where I spent a lot of my time, slopes towards the ocean, and you can't use it on consecutive days of rain because kids will get injured. There are exposed boulders that we spray paint so that kids avoid and hopefully don't get tackled on and injure themselves. Ankle injuries, ligament injuries are a regular occurrence, just because the field is sloppily constructed and 100 years old.

"That's just the football field, and that might be, probably, one of the better parts of our campus. If you go to the old gym, the bathrooms do not work and they are caution-taped off. The weight room underneath, which is utilized for classes in the PE department and weight training classes, there are probably five or six dozen holes in the ceiling, and if classes are operating above, the whole building shakes. When I was a senior there, we had maintenance guys come in and dig into the concrete floor to see if there was asbestos there. They found asbestos and covered it up, and so there's a *puka* in the floor that's still there. I'm not sure what the purpose of that was.

"I think that there are stories like this in most public schools in Hawaii, and it was really put in perspective for me this year when I was fortunate enough to visit Huntsville, Alabama. It was my first time in the south, not sure what to expect. Huntsville is a very well-to-do area, low cost of living, high income. And when we were there, we got to look at a brand new high school, Jemison High School, and included in this high school they have a class dedicated to 3D printing, where they have technology and equipment available that you probably wouldn't find in any part of our state, much less a public high school. In addition to that, they teach classes on cyber security where the students build drones from scratch, and they also participate with that 3D printing in, they actually build race cars as part of their curriculum, and they have virtual classrooms where they can learn valuable trades that are taught remotely.

"The point of this is that we're at a point of desperation, and desperate times call for desperate measures. In addition to that, I think that this is a situation where we can effectively kill two birds with one stone. There was a representative from Maui last year who talked in length about what do we have here in Hawaii that we can utilize, what are we trying to sell, in a sense? If you're in Alaska or parts of Texas, you have oil, and that's your exploitable resource. We don't have anything like that here. We have the natural beauty of Hawaii, and we have a very limited amount of land.

"What we have in addition to our crisis in education is a crisis in homelessness and housing, and, as mentioned before, Hawaii's become a tax haven for rich foreign investors. To me, this is an opportunity, if this passes and we get to deal with this next year in terms of rulemaking, to effectively kill two birds with one stone, to dramatically disincentivize foreign investment in local property. And so I hope that, through the wisdom of our body and hopefully being able to address this next session, we can account for affordable rental categories, as we already do on the Big Island, and make sure that we exempt certain categories, to really drive it home that investing in Hawaii property, especially if you're a foreign investor, should not be profitable, and it should not be incentivized. Thank you."

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

Representative Ward's written remarks are as follows:

"Let the people decide."

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

Representative Matsumoto's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support.

"I am also concerned that there is no definition of 'investment real property' in the amendment, and thus we will not know who will be affected by this bill until this definition has been clarified next session. Again, people

voting on this may see themselves as exempt from the surcharge, later to find out that in fact they now fall under this definition of 'investment real property' owners.

"In the SD1 version, the surcharge had been imposed on owners of homes valued at over \$1 million that did not have a homeowner's exemption.

"The average price of homes in Hawaii is rising, and is now close to \$1 million per home. In my district, for example, in Mililani alone, there are 526 properties worth over \$1 million, and in Waialua and Mokuleia there are a total of 296 properties worth over \$1 million. These housing costs will only continue to increase, and if that definition of 'investment real property' goes back to utilizing property values, this bill may affect quite a large population, with the potential to drastically affect Hawaii's rental and affordable housing markets.

"Thank you, Mr. Speaker."

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

"Thank you. Support with reservations. While I support giving the Department of Education additional funding for preschool education for all children, lower class sizes, qualified teachers in our classrooms including special education, and teacher pay increases, I'm concerned that the approach before us may yield much less than what's needed to raise the bar on public education in Hawaii. I believe most of us in this Chamber realize this.

"For everything we know about early childhood brain development, public investment in education is critical. I therefore support moving forward with this constitutional amendment, and at the same time, looking at collaborating with counties and reforming state and local taxation policies that might yield additional funding for the DOE in the long run. Thank you."

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

"In support. Mr. Speaker, I'm going to speak mostly on the issue of a constitutional amendment. This bill allows the public to decide a fundamental question. The question that has been put before us is broad, maybe too broad for some of my colleagues, but I believe it's broad rightly so. Actually, not broadly enough for some of our other colleagues, which in my opinion is fair. Shall the State be authorized to utilize investment property taxes to pay for public education? That's the only question, in my mind, that should be put to the voters, because that's the only question that needs to be put to the voters.

"It's my belief that amendments to the constitution, the foundational document upon which our democracy is built, should only be considered when the fundamental nature of our government requires change. We cannot, and should not, just make changes to this document whenever it suits us. That is the role for our statutes and administrative rules. If we set a threshold in the constitution, if we get into the details, we're saying basically that we're going to make this constitutional issue a regular question, and I don't believe that's the way to go.

"This measure actually goes to the heart of our role as the Legislature. The Judiciary interprets the law, the administration executes the law, we set the law. And among that role is the power to levy taxes and appropriate those revenues for the benefit of the public. What the rates are, what qualifies, who qualifies, who doesn't, how much money this proposal raises, what the money is going to be used for, how much better, ultimately, will this proposal make our schools? Those are questions that require details. Those are policy decisions. Those are implementation decisions. I don't think those are appropriate for a constitutional amendment question.

"I believe that the majority of the Members of this Body and the public believe simply that education is one of our most important state functions. And I also believe that the majority of us agree that our public schools deserve more support, and that we can do a better job of educating our children. And I also believe that the majority agree, as my colleague stated earlier, that this need is an urgent one that can no longer be remedied as

things stand, and that fundamental system change is necessary to achieve this. We just cannot continue to keep going the way things are going.

"So this bill provides a mechanism to be put to the voters to ask that question. Are the changes we need to make so urgent and necessary that our role as a legislature needs to be improved to account for this.

"Now, like many decisions, there are costs and benefits, there are risks and uncertainties that come with this issue, I agree. If the voters believe that those costs are too great, that there's too much risk and uncertainty involved, that after the fact the Legislature is going to be ultimately incapable of figuring this all out in a responsible way, they can vote no, and this body will have a clear directive on how to proceed. However, if they vote yes, then we have, as this body seldom has, we'll have a legislative mandate to take this power and use it to improve the outcomes of our kids.

"So lastly, constitutional amendments are hard to get passed. I think this point is lost on many, many people. This is not an easy process. This will not be an easy process. They're hard to get passed, and for good reason. We had a constitutional amendment question on education come before the voters four years ago, in the same election that I entered this body. It did not pass. It did not pass, I believe in part, because it was complicated. It asked an implementation question. It put a policy question to the voters, and it was confusing, and that led to no votes. This doesn't. It asks a question about the role of government. That is a question that should be decided by voters, and that's why I support this bill. Thank you."

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

"Thank you, Mr. Speaker. I rise in support. Thank you. There is no silver bullet for the myriad issues that we face here in Hawaii, save one, and that's providing an awesome, quality education is the absolute best thing we can do for our next generation, and I support any measure, absolutely support any measure, which allows our communities and our public to decide new ways and to consider new ways to achieve that goal. Thank you very much."

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

"Thank you, Mr. Speaker. I think we need to recognize this bill isn't just about education, but it's about justice and equality. I rise in support. Our state is the highest percentage of students in high-priced private schools, or one of the highest, if not the highest. Our public schools are separate, and they are not equal, and this bill will help make them more equal. Thank you."

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

"Thank you, Mr. Speaker. I want to rise with slight reservations, and I want to take the words of the Representative from Keaau, Volcano as my own," and the Chair "so ordered." (By reference only.)

Representative Evans continued, stating:

"I think the need for funding is really obvious. How to get there seems to be the real question, and I'm glad that we're taking it to the voters to ask. But I have some concerns if it's the right question. I too, like the Representative from Volcano, think if it's about our future and everyone in this state is vested in having a good economy, taking care of our vulnerable, our children, our seniors, if we're going to have a solid economy and make right for the future, we have to educate our kids, but why not have everybody invest in that? I have concerns that we're just picking on investment property. I think it sends a strong message that we're not all in it together, to try to find the answer.

"Since I've been here, there's been so many discussions about gambling, and it seems that socially and culturally we, as a community, reject that as a way to raise money, so that's off the table. When you talk to the teachers' union, and I asked them, are you going to file a lawsuit against the State because they're not properly funding education, and they go, oh no, no, no we don't want to do that, though other states have done that, and have won. We don't want to see our state go down having a lawsuit.

"And I think, thirdly, is I have some concerns about people looking at legalizing marijuana as a possibility of raising taxes, again, to pay for some fundamental, what fundamentally government does, and government educates children, that's part of our basic, fundamental, what we do as government. And so the question is, again in my opinion, not broad enough, and I would like to see it expanded to all property, that would be agriculture, that would be rural, that'd be residential, it would be investment. It's like, everybody, stand up and participate in doing the right thing. Thank you."

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

"Thank you, Mr. Speaker. I stand in support with slight reservations, and I wanted to thank the body. This has been a great conversation. My goodness, I could definitely do a special session about this topic and talk for hours about it until we finish it, but we've always done more controversial issues. And so I really think that all the points that were brought up today were so important, and really I just want to boil it down to four, because I think what I hear everyone saying is that everyone believes that education is important, and we want to fund it more. And I appreciate the colleague from Hilo actually giving us a very descriptive look at what his school looks like, and I won't give a descriptive look of some more schools, because I think we're in the same bucket as far as all of the needed improvements.

"And so the two things that we're discussing here is one, how to fund it, two, where it should go. And I think the how to fund it part, it has a few of us with a little bit of hesitancy. And I want to thank my colleague from Waipio for giving that historical history of where this bill has come, and all the different versions of where the pocket of revenue would come from. So the how to fund it part is really important, because we're putting it on the ballot. So if we do the how to fund it part correctly, which what I hear from a lot of people is, if the base is not big enough, then the impact of money collected will not be enough to actually create an impact.

"And so the how to fund it part I think definitely deserves more conversation. Should it be investment property? Should we disincentivize for mainland investors? Yeah, maybe. But is it going to be enough, we don't know that. Are we going to need another department to actually do that, if we do that on top of what the counties do? We don't know. So it's broad enough that we have to actually figure that how to fund it.

"The second part, which is where it goes, and this is the part that people have been bringing up concerns to me about. Where it goes. If we don't know where the money goes, then actually asking the voters to put it on the ballot and not understand where it goes, that's what people have concerns about. And I love the comment brought up by my colleague from Kaneohe, on point. Constitutional amendments, hard to pass. Too specific, hard for people to determine. Too broad, same thing. The where the money goes part is so important, because either we can put it toward salaries and know for sure that teachers are going to get a raise, as my colleague from Maui brought up, super important, way past due, teachers should get more pay, hands down. But also, should the weighted student formula be increased? Absolutely.

"If the money was going straight to students or straight to teachers, I think people would be a lot more supportive, but they don't know what the Department of Education will do with it. And I think we've had this discussion many, many times with the teachers, and I see them smiling, because that's the gist of it, is that this doesn't handle the underlying issue that we have, which is management of funds. And so we want to see educational funds, especially if we do something like this. We change the constitution. We have a revenue source. We boost education in our state. We have to, have to, have to see it go to students or teachers. It has to be that way. It cannot go to more administrative costs or not actually make an impact where we need it to make an impact.

"We know that our weighted student formula is too low. We know that charter schools get less than public schools for the weighted student formula. We know that the teachers' pay is too low. But if we just put it towards education and let the department determine it, that's where a lot of people have that hesitation. It's because they still want to see the department audited, because they don't know where all the monies are going, or why

we're not actually using all the federal funds, or why we're always short on certain things that we need for our schools.

"And so those two fundamental questions are so important, and that's what I hear everyone talking about here, is that we need to solve how we're going to fund it, and where it goes. And if we can do those two things, I think we're moving forward. And I think, just like the Representative from Hilo brought up, we are in a moment of desperation, because we know that it's so badly needed, and we need to move forward.

"So I hope that that's where we can center our conversations, it's just compartmentalize it, figure out the two parts that we need to figure out, put it on the ballot, because it seems like everyone's okay with letting the public vote on it, which I think that's a very, very democratic way to do it. We love that. We love hearing the voices of the public. But making sure that they know, one, how it will be funded, and two, where the money will go. I think that they at least deserve to know that part. Thank you."

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

"Mr. Speaker, in support with reservations. Adding a definition for 'investment real property' would, I believe, improve this bill. Thank you."

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

"Mr. Speaker, in support. But before I do my short speech, may I address the Speaker in saying that there's a two-prong approach, or can I kill two birds with one stone? It's just very simple. The first request, Mr. Speaker, is may I be able to make a late introduction? No, it is, because this is about civility, this is about state government, and this is an issue that I think will resonate for this whole session. So, may I be permitted?

"On behalf of the Oahu members, we are very privileged to have 100 students from Sacred Hearts Academy, who have listened to this fantastic debate on the Floor of the House. They're accompanied by two chaperones, Mr. Jeff Peterson and Ms. Elizabeth Gabriel. But these are seniors, Members of the House from Oahu, that will be voting in August, if they have the opportunity. So would the students please stand to be recognized by the Members of the House, and I hope you know your elected official here.

"Mr. Speaker, in strong support, and I think for the students who are seniors and will be graduating this spring, it's a reflection now that they understand what is before us, which is a constitutional amendment to give the people the choice to vote for a legislative surcharge on private property. The bigger issue for all of us is that now that they have heard this discussion, which is a very thorough, well discussed, well thought out by all members from Kauai to Oahu, to Maui, to Hawaii, and Oahu, they will probably make a very educated choice when they go to the polls in August or November. It's probably going to be in November, correct me if I'm wrong, the constitutional amendment.

"But in just closing, this is democracy at its best. For the 100-plus students who are here from Sacred Hearts, and finally, we, the House of Representatives, appreciate your presence in having to hear the discussion that is on the floor. Thank you very much."

Representative Holt rose in support of the measure with reservations and asked that the remarks of Representative Nakamura be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In support. Thank you, Mr. Speaker. I appreciate the members that have concerns and reservations. I too share many of your concerns and reservations with the measure before us. However, the reason why I'm a straight up vote on this bill is because of the very genesis of the bill, the foundation. The fact that our state's most precious resource are our *keiki*, our students.

"I don't have a crystal ball, I don't know what's going to happen the next 50 years from now, but I do know this. We invest in our students, and the teachers are our best allies to do that. If we invest in our students today, 50

years from now, our state, our economy, our housing, our healthcare is going to be *pono*. So for those reasons, I support this bill. Thank you."

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

"Thank you, Mr. Speaker. I stand in support. I'd like to focus on the bill itself, and not the minutia. The bill is specific, surcharge on investment real property to support public education. No more, no less. I would like to have the comments of the Representative from Kaneohe be submitted as if they were my own. Thank you. Because I agree. By putting this on the ballot, it gives the public the opportunity to say that they believe that public education is a basic constitutional, fundamental right. It is a right that I, as a member, as a product of the Hawaii public school education was able to use while I was growing up, and which I wish to impart on all the other Hawaii residents.

"This bill gives latitude to the State Legislature to decide how to implement it once it has passed. It is not too broad to ask for all real estate, all real property, because by making it too broad, the public will go into the kind of debate like we are doing, and basically allow for this constitutional question to die. We want it. I support this bill, I support the basic right for the public to decide to say that this is the right.

"I also would like to have the comments of the Representative from Hilo to be submitted as if they were my own. Because in my district, Puna, we kind of envy Hilo public schools, because we don't even have a cafeteria in my elementary school. We believe that certain basic functions in every public school that we don't have, we should have too. And we're hoping that the kind of debate that we have here every session as to how much to fund education, is now going to be put forth to the public. And as such, I stand in strong support. Thank you," and the Chair "so ordered." (By reference only.)

Representative Gates rose in support of the measure and asked that the remarks of Representatives Todd and Keohokalole be entered into the Journal as his own, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered." (By reference only.)

Representative Gates's written remarks are as follows:

"Senate Bill 2922 is an example of democracy in action. It will create a question to be placed on the November ballot for voters to decide their own future. The question is do we allow the state to collect property taxes on investment real estate to better fund public education?

"Unlike most other states in the Union, Hawai'i does not have a property tax that funds public education. Many other states have county-run educational systems and use county property taxes to fund their programs. This option is not relevant to Hawai'i since we are unique in our statewide educational system. Funding a statewide educational system through county property taxes has not made sense and is why our educational system is sorely underfunded.

"Low teacher pay has led to low teacher retention and the hiring of underqualified applicants, dilapidated schools, and ineffective or nonexistent programs for developmentally challenged students. Our per student expenses rank among the lowest in the country. We are shortchanging our *keiki* and our own futures. There is no way Hawai'i will be prepared for the changing business and economic climate if we do not properly fund and support public education.

"More money is needed for public education. County home rule dictates that we allow only the counties to raise property taxes, but since we have a state-run public educational system, there is no effective way for county property taxes to fund state education. Therefore, we need to ask the voters, is the education of our *keiki* or county home rule more important? My constituents know where I stand and now it is up to the people to decide."

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

"Mr. Speaker, in support. And I wanted to thank the Education Chair. Last year we had a similar bill, and looking back, he did the right choice by taking

time off and looking at the proposal from last year. And if we had the bill from last year, I think based on the amount of discussion we had here, chances are the last year proposal probably would not have passed because it was too specific and too regimented, and I think people had a lot more questions. So I just wanted to take the time to thank the Education Chair for doing a really good job in crafting what we are about to vote on today."

The motion was put to vote by the Chair and carried, S.B. No. 2922, SD 1, HD 1, entitled: "A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE TO INCREASE FUNDING FOR PUBLIC EDUCATION," passed Third Reading by a vote of 50 ayes, with Representatives Evans, Holt, Kobayashi, McDermott, Nakamura, Onishi, Takumi and Tupola voting aye with reservations.

S.B. No. 192, SD 1, HD 1:

Representative Belatti moved that S.B. No. 192, SD 1, HD 1 pass Third Reading, seconded by Representative Morikawa.

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

"Thank you, Mr. Speaker. In support but with some slight reservations, and the reason, if I may say, is that because it will allow the director of Finance to transfer some balances from the Natural Area Reserve Fund into the general fund, and I don't support that portion of the bill. That's what concerns me. Thank you."

Representative Tokioka 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, S.B. No. 192, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Thielen and Tokioka voting aye with reservations, and with Representatives Ito and Say voting no.

S.B. No. 508, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 508, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes.

S.B. No. 2514, SD 1, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2514, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 41 ayes to 9 noes, with Representatives Choy, Har, Ito, Matsumoto, Quinlan, Say, Tokioka, Tupola and Ward voting no.

S.B. No. 2890, SD 2, HD 1:

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.B. No. 2890, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 39 ayes to 11 noes, with Representatives Choy, DeCoite, Har, Ito, Kong, Matsumoto, Ohno, Say, Tokioka, Tupola and Ward voting no.

At 11:54 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 2582, SD 1, HD 1
 S.B. No. 2461, SD 1, HD 1
 S.B. No. 2719, SD 1, HD 1
 S.B. No. 2922, SD 1, HD 1
 S.B. No. 192, SD 1, HD 1
 S.B. No. 508, SD 1, HD 1
 S.B. No. 2514, SD 1, HD 1
 S.B. No. 2890, SD 2, HD 1

ANNOUNCEMENTS

Representative Evans: "Thank you, Mr. Speaker. Today, April 10th, is Equal Pay Day in the United States, a day that signifies how far into the new calendar year women have to work to earn what men made the previous year. Pay inequality persists here and everywhere, and it matters. It matters because it condemns millions of women and their families to lives of limited possibilities, and for many, poverty.

"Women earning less than men has obvious immediate repercussions, such as less money to spend. But also, it directly relates to longer term impacts such as credit worthiness, savings, social security benefits, and retirement income. Women in old age are living without any regular income from an old age or survivor's pension, despite having been in the workforce in earlier life. Where every dollar counts, pay inequality can be enough to plunge families below the breadline.

"Income well spent on education, nutrition and health, potentially moves a generation out of poverty. Insufficient income reinforces the poverty cycle. The motherhood penalty is larger for low-wage workers, and women in the USA occupy two-thirds of the care economy, in child care centers or residential homes for older people, as domestic workers and cleaners. This work is critical to the functioning of our economies but is hugely undervalued. In the USA, golf caddies, who are mostly men, earn an average of \$17 an hour, while caregivers, mostly women, are paid just \$9 an hour.

"We will not be able to close the gender pay gap as long as there are so many women trapped in low-paid, undervalued work, and as long as working conditions are inflexible. The male breadwinner model of society has long gone, yet its influence remains. Contemporary economies need a workforce that draws in both men and women, but workplaces are still designed as if workers have no domestic responsibilities.

"There is need to sensitively accommodate the caring role, provide the flexibility and working hours that real life demands, and apply a similarly realistic appreciation of women's engagement. Ample research exists to demonstrate the scale of that value. Conversely, the recognition and significance of men's caring role and responsibility is underappreciated and underserved in policy and practice.

"Failure to support the care economy reinforces the gender pay gap in two ways, by undervaluing women's jobs and entrenching women in low-pay work, and by limiting women's paid work opportunities through a lack of affordable care services. When it comes to tackling the gender pay gap and reducing unpaid care work for women and girls, we urgently need to be finding and implementing effective solutions. To reach the goal of equal opportunity, a founding principle of our great country, we must consider pay equity. Equal pay matters. Thank you, Mr. Speaker."

Representative Creagan: "Thank you, Mr. Speaker. Just wanted to let everyone know that tomorrow in the Auditorium at 10 o'clock, Dr. Virginia Rauh, who's an expert on chlorpyrifos and its impacts on the neurological development of children, will be giving a talk, 10 o'clock in the Auditorium, tomorrow. Thank you."

LATE INTRODUCTIONS

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

Representative Gates introduced advocates against drunk driving and negligent homicide, Mr. and Mrs. Eddie and Paula Werner, parents of Kaulana Werner.

COMMITTEE ASSIGNMENTS

The following measures were referred to committee by the Speaker:

<u>S.C.R.</u> <u>Nos.</u>	<u>Referred to:</u>
9	Committee on Public Safety, then to the Committee on Judiciary
11, SD1	Committee on Health & Human Services, then to the Committee on Finance
13, SD1	Committee on Education, then to the Committee on Finance
16, SD1	Jointly to the Committee on Housing and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance
20	Jointly to the Committee on Economic Development & Business and the Committee on Water & Land, then to the Committee on Finance
22, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
26	Committee on Public Safety, then to the Committee on Consumer Protection & Commerce
27, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance
31, SD1	Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Finance
39, SD1	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance
45, SD1	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance
48, SD1	Jointly to the Committee on Housing and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance
49, SD1	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance
50	Committee on Water & Land, then jointly to the Committee on Housing and the Committee on Transportation, then to the Committee on Finance
52	Committee on Public Safety, then to the Committee on Finance
54, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
59	Committee on Agriculture, then to the Committee on Finance
62, SD1	Committee on Finance
63, SD1	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance
64, SD1	Committee on Education, then to the Committee on Finance
65	Committee on Education, then to the Committee on Finance

67	Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Finance	145, SD1	Jointly to the Committee on Agriculture and the Committee on Labor & Public Employment, then to the Committee on Finance
73, SD1	Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance	148, SD1	Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Finance
74, SD1	Jointly to the Committee on Ocean, Marine Resources, & Hawaiian Affairs and the Committee on Health & Human Services	149, SD1	Committee on Health & Human Services, then to the Committee on Finance
76, SD1	Committee on Judiciary, then to the Committee on Finance	154, SD1	Committee on Labor & Public Employment, then to the Committee on Finance
79, SD1	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance	156, SD1	Committee on Health & Human Services, then to the Committee on Finance
80, SD1	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance	158	Committee on Labor & Public Employment, then to the Committee on Finance
81, SD1	Jointly to the Committee on Education and the Committee on Health & Human Services, then to the Committee on Finance	159	Committee on Education, then to the Committee on Finance
83, SD1	Committee on Health & Human Services, then to the Committee on Finance	160	Committee on Education, then to the Committee on Finance
85, SD2	Committee on Higher Education, then to the Committee on Finance	161	Jointly to the Committee on Public Safety and the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Finance
86	Committee on Education, then to the Committee on Finance	162	Committee on Education, then to the Committee on Judiciary
89, SD2	Committee on Transportation, then to the Committee on Finance	166, SD1	Committee on Higher Education, then to the Committee on Finance
91, SD1	Committee on Energy & Environmental Protection, then to the Committee on Finance	167, SD1	Committee on Agriculture, then to the Committee on Finance
92	Committee on Education, then to the Committee on Finance	168, SD1	Committee on Education, then to the Committee on Finance
95, SD1	Committee on Water & Land, then to the Committee on Finance	180, SD1	Jointly to the Committee on Education and the Committee on Agriculture, then to the Committee on Finance
108, SD1	Jointly to the Committee on Public Safety and the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, then to the Committee on Finance	181	Committee on Water & Land, then to the Committee on Finance
117, SD2	Committee on Water & Land, then to the Committee on Finance	182	Committee on Higher Education, then to the Committee on Finance
123, SD1	Committee on Energy & Environmental Protection, then to the Committee on Finance	183	Jointly to the Committee on Tourism and the Committee on Transportation, then to the Committee on Judiciary
129, SD1	Committee on Health & Human Services, then to the Committee on Finance	184, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance
133, SD1	Committee on Water & Land, then to the Committee on Finance	186, SD1	Committee on Judiciary
134	Jointly to the Committee on Water & Land and the Committee on Ocean, Marine Resources, & Hawaiian Affairs, then to the Committee on Finance	187, SD1	Jointly to the Committee on Economic Development & Business and the Committee on Water & Land, then to the Committee on Finance
135, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance	188, SD1	Committee on Energy & Environmental Protection, then to the Committee on Finance
137, SD1	Committee on Consumer Protection & Commerce, then to the Committee on Finance	192	Committee on Labor & Public Employment, then to the Committee on Finance
141, SD1	Committee on Energy & Environmental Protection, then to the Committee on Finance	193, SD1	Committee on Energy & Environmental Protection, then to the Committee on Finance
143, SD1	Committee on Transportation, then to the Committee on Finance	194, SD1	Committee on Education, then to the Committee on Finance

COMMITTEE REASSIGNMENTS

The following measure was re-referred to committee by the Speaker:

S.C.R.**No. Re-referred to:**

74, Committee on Ocean, Marine Resources, & Hawaiian Affairs
SD1

Enclosure

CC: Carol Taniguchi, Clerk of the Senate
Scott Nago, Chief Election Officer"

ADJOURNMENT

At 11:59 o'clock a.m., on motion by Representative Morikawa, seconded by Representative Ward and carried, the House of Representatives adjourned until 12:00 o'clock noon Thursday, April 12, 2018. (Representative Choy was excused.)

HOUSE COMMUNICATIONS

House Communication dated April 10, 2018, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has disagreed to the amendments made by the Senate to the following measures:

H.B. No. 1620, HD 2, SD 1
H.B. No. 1626, HD 1, SD 1
H.B. No. 1650, HD 2, SD 1
H.B. No. 1869, HD 1, SD 1
H.B. No. 1873, HD 1, SD 1
H.B. No. 1932, HD 1, SD 2
H.B. No. 1934, HD 1, SD 2
H.B. No. 2060, HD 1, SD 1
H.B. No. 2149, HD 1, SD 1
H.B. No. 2207, HD 2, SD 1
H.B. No. 2275, HD 2, SD 2
H.B. No. 2342, HD 1, SD 1
H.B. No. 2375, HD 1, SD 1
H.B. No. 2442, HD 2, SD 2
H.B. No. 2464, HD 2, SD 2
H.B. No. 2657, HD 1, SD 1

"April 10, 2018

Governor David Ige
State of Hawaii
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Dear Governor Ige:

In accordance with the provisions of Article XVII, Section 3 of the Hawaii State Constitution, written notice is hereby given of the final form of the following Senate Bill, a copy of which is attached hereto:

S.B. No. 2922, S.D. 1, H.D. 1, entitled:

"PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE TO INCREASE FUNDING FOR PUBLIC EDUCATION."

Said measure passed Third Reading in the House of Representatives on this date.

Respectfully,

/s/ Brian L. Takeshita
BRIAN L. TAKESHITA
Chief Clerk