

FORTY-SEVENTH DAY

Tuesday, April 12, 2005

The Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2005, convened at 10:12 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by Bishop Yoshiaki Fujitani (Retired), Honpa Hongwanji, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Forty-Sixth Day.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 554 to 677) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 554, advising the Senate of the withdrawal of the nominations of:

JAMES M. MIHALKE to the State Council on Mental Health, under Gov. Msg. No. 217, dated January 28, 2005;

ELIAS T. BENIGA to the Hawaii Workforce Development Council, under Gov. Msg. No. 435, dated March 22, 2005; and

BEVERLY I. TAKABA to the Emergency Medical Services Advisory Committee, under Gov. Msg. No. 462, dated March 24, 2005,

was placed on file.

In compliance with Gov. Msg. No. 554, the nominations listed under Gov. Msg. Nos. 217, 435 and 462 were returned.

Gov. Msg. No. 555, submitting for consideration and confirmation to the Board of Directors of the Agribusiness Development Corporation, the nomination of YUKIO KITAGAWA, term to expire June 30, 2006, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 556, submitting for consideration and confirmation to the Board of Directors of the Agribusiness Development Corporation, the nomination of WAYNE K. KATAYAMA, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 557, submitting for consideration and confirmation to the Board of Directors of the Agribusiness Development Corporation, the nomination of ROBERT V. OSGOOD, term to expire June 30, 2008, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 558, submitting for consideration and confirmation to the Board of Directors of the Agribusiness Development Corporation, the nomination of TEENA M. RASMUSSEN, term to expire June 30, 2007, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 559, submitting for consideration and confirmation to the Board of Directors of the Agribusiness Development Corporation, the nomination of ROBERT S. SUTHERLAND, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 560, submitting for consideration and confirmation to the Board of Directors of the Agribusiness Development Corporation, the nomination of ERIC D. WEINERT, term to expire June 30, 2006, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 561, submitting for consideration and confirmation to the State Board of Chiropractic Examiners, the nomination of NARIYOSHI HIRAOKA, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 562, submitting for consideration and confirmation to the Hawaii Community Development Authority (HCDA), the nomination of GRADY L. CHUN, term to expire June 30, 2007, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 563, submitting for consideration and confirmation to the Community-Based Economic Development Advisory Council, the nomination of HARRY L. ALONSO, term to expire June 30, 2009, was referred to the Committee on Business and Economic Development.

Gov. Msg. No. 564, submitting for consideration and confirmation to the Community-Based Economic Development Advisory Council, the nomination of DAVID FUERTES, term to expire June 30, 2009, was referred to the Committee on Business and Economic Development.

Gov. Msg. No. 565, submitting for consideration and confirmation to the Credit Union Advisory Board, the nomination of GARY S. FUKUROKU, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 566, submitting for consideration and confirmation to the Crime Victim Compensation Commission, the nomination of JANET K. KUWAHARA, term to expire June 30, 2006, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 567, submitting for consideration and confirmation to the Crime Victim Compensation Commission, the nomination of REBECCA S. WARD, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 568, submitting for consideration and confirmation to the State Foundation on Culture and the Arts Commission, the nomination of MARIA JO FARINA, term to expire June 30, 2009, was referred to the Committee on Media, Arts, Science and Technology.

Gov. Msg. No. 569, submitting for consideration and confirmation to the Board of Dental Examiners, the nomination of DANIEL F. FUJII DDS, MPH, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 570, submitting for consideration and confirmation to the Board of Dental Examiners, the nomination of MARIAN J. GREY, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 571, submitting for consideration and confirmation to the Board of Dental Examiners, the nomination

of CHERYL M. NAKAGAWA, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 572, submitting for consideration and confirmation to the Education Commission of the States, the nomination of ANN R. BOTTICELLI, term to expire June 30, 2008, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 573, submitting for consideration and confirmation to the Policy Advisory Board for Elder Affairs, the nomination of GARY SIMON, term to expire June 30, 2009, was referred to the Committee on Human Services.

Gov. Msg. No. 574, submitting for consideration and confirmation to the Board of Electricians and Plumbers, the nomination of DEAN D. CHOY, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 575, submitting for consideration and confirmation to the Board of Electricians and Plumbers, the nomination of MAURICE F. TORIGOE, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 576, submitting for consideration and confirmation to the Hawaiian Homes Commission, the nomination of STUART K. HANCHETT, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 577, submitting for consideration and confirmation to the Statewide Health Coordinating Council, the nomination of LILI BRYAN-CONANT, term to expire June 30, 2009, was referred to the Committee on Health.

Gov. Msg. No. 578, submitting for consideration and confirmation to the Statewide Health Coordinating Council, the nomination of JOANNE H. KEALOHA, term to expire June 30, 2009, was referred to the Committee on Health.

Gov. Msg. No. 579, submitting for consideration and confirmation to the Statewide Health Coordinating Council, the nomination of VIRGINIA PRESSLER MD, MBA, FACS, term to expire June 30, 2006, was referred to the Committee on Health.

Gov. Msg. No. 580, submitting for consideration and confirmation to the Board of Directors of the High Technology Development Corporation, the nomination of JAMES D. LACLAIR, term to expire June 30, 2009, was referred jointly to the Committee on Media, Arts, Science and Technology and the Committee on Business and Economic Development.

Gov. Msg. No. 581, submitting for consideration and confirmation to the Board of Directors of the High Technology Development Corporation, the nomination of DAVID LASSNER PHD, term to expire June 30, 2009, was referred jointly to the Committee on Media, Arts, Science and Technology and the Committee on Business and Economic Development.

Gov. Msg. No. 582, submitting for consideration and confirmation to the State Highway Safety Council, the nomination of RICHARD M. MERSCHDORF, term to expire June 30, 2009, was referred to the Committee on Transportation and Government Operations.

Gov. Msg. No. 583, submitting for consideration and confirmation to the Board of Directors of the Housing and Community Development Corporation of Hawaii (HCDCH), the nomination of CHARLES A. STED, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 584, submitting for consideration and confirmation to the Board of Directors of the Hawaii Hurricane Relief Fund, the nomination of HAROLD R. DECOSTA, term to expire June 30, 2005, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 585, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of ANNA CARIAGA, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 586, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of RONALD N. M. DELA CRUZ, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 587, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of LENINGRAD ELARIONOFF, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 588, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of J. KEOLALANI HANOA, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 589, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of ROY HELBUSH, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 590, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of JACQUI L. HOOVER, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 591, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of KU KAHAKALAU PHD, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 592, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of MELVYN KALEO KUALII, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 593, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of CYNTHIA NAZARA, term to expire June 30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 594, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of DUTCHIE K. SAFFREY, term to expire June

30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 595, submitting for consideration and confirmation to the Island Burial Council, Island of Hawaii, the nomination of CHARLES KUI HIN YOUNG, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 596, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of EDWARD HALEALOHA AYAU, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 597, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of EDWINA H. CACOUOLIDIS, term to expire June 30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 598, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of LANCE M. DUNBAR, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 599, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of PEARL A. HODGINS, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 600, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of CLARENCE HALONA KAOPUIKI, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 601, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of WILLIAM K. MALO, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 602, submitting for consideration and confirmation to the Island Burial Council, Island of Molokai, the nomination of GEORGE 'KEOKI' E. PESCAIA, term to expire June 30, 2006, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 603, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of CLARENCE DE LUDE, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 604, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of CHARLES A. EHRHORN, term to expire June 30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 605, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of ALICE U. GREENWOOD, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 606, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the

nomination of ANALU K. JOSEPHIDES, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 607, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of ANDREW K.T. KELIIOA, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 608, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of AARON D. MAHI, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 609, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of MARK KAWIKA MCKEAGUE, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 610, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of JACE L. MCQUIVEY, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 611, submitting for consideration and confirmation to the Island Burial Council, Island of Oahu, the nomination of LINDA PAIK-MATSUURA, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 612, submitting for consideration and confirmation to the Island Burial Council, Islands of Kauai and Niihau, the nomination of MARK S. HUBBARD SPHR, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 613, submitting for consideration and confirmation to the Island Burial Council, Islands of Kauai and Niihau, the nomination of D. LA FRANCE KAPAKA-ARBOLEDA, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 614, submitting for consideration and confirmation to the Island Burial Council, Islands of Kauai and Niihau, the nomination of JOHN A. P. KRUSE, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 615, submitting for consideration and confirmation to the Island Burial Council, Islands of Kauai and Niihau, the nomination of SANDRA P. QUINSAAT, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 616, submitting for consideration and confirmation to the Island Burial Council, Islands of Kauai and Niihau, the nomination of LEIANA P. ROBINSON, term to expire June 30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 617, submitting for consideration and confirmation to the Island Burial Council, Islands of Kauai and Niihau, the nomination of PRESLEY V. WANN, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 618, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of SCOTT FISHER, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 619, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of WILLIAM C. FRAMPTON, term to expire June 30, 2008, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 620, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of DANA MOMILANI NAONE HALL, term to expire June 30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 621, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of EDWARD HOAPILII KAAHUI, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 622, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of KEMA L. KANAKAOLE, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 623, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of KEEAMOKU J. KAPU, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 624, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of LESLIE A. KULOLOIO, term to expire June 30, 2009, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 625, submitting for consideration and confirmation to the Island Burial Council, Islands of Maui and Lanai, the nomination of CLOTHILDA PUALANI PAOA, term to expire June 30, 2007, was referred to the Committee on Judiciary and Hawaiian Affairs.

Gov. Msg. No. 626, submitting for consideration and confirmation to the Hawaii Labor Relations Board, the nomination of EMORY J. SPRINGER, term to expire June 30, 2011, was referred to the Committee on Labor.

Gov. Msg. No. 627, submitting for consideration and confirmation to the Board of Land and Natural Resources, the nomination of BERTON HAMAMOTO CRB, CRS, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 628, submitting for consideration and confirmation to the Board of Land and Natural Resources, the nomination of JAMES M. LOWSON, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 629, submitting for consideration and confirmation to the Land Use Commission, the nomination of THOMAS CONTRADES, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 630, submitting for consideration and confirmation to the Land Use Commission, the nomination of DUANE KANUHA, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 631, submitting for consideration and confirmation to the Land Use Commission, the nomination of RANSOM A.K. PILTZ, term to expire June 30, 2006, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 632, submitting for consideration and confirmation to the Land Use Commission, the nomination of NICHOLAS W. TEVES JR., term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 633, submitting for consideration and confirmation to the Medical Advisory Board, the nomination of VIT U. PATEL MD, term to expire June 30, 2009, was referred to the Committee on Transportation and Government Operations.

Gov. Msg. No. 634, submitting for consideration and confirmation to the Hawaii Medical Education Council, the nomination of CHRISTI L. KELIPIO, term to expire June 30, 2009, was referred to the Committee on Higher Education.

Gov. Msg. No. 635, submitting for consideration and confirmation to the Hawaii Medical Education Council, the nomination of LESLIE J. KRENK RPH, CDE, term to expire June 30, 2009, was referred to the Committee on Higher Education.

Gov. Msg. No. 636, submitting for consideration and confirmation to the Hawaii Medical Education Council, the nomination of SUSAN REHBERG MERRILL-MURRAY, term to expire June 30, 2009, was referred to the Committee on Higher Education.

Gov. Msg. No. 637, submitting for consideration and confirmation to the Hawaii Medical Education Council, the nomination of GALE S. POLLOCK, term to expire June 30, 2007, was referred to the Committee on Higher Education.

Gov. Msg. No. 638, submitting for consideration and confirmation to the Mental Health and Substance Abuse, Hawaii Service Area Board, the nomination of G.M. MIKE DURANT, term to expire June 30, 2008, was referred to the Committee on Health.

Gov. Msg. No. 639, submitting for consideration and confirmation to the Motor Vehicle Industry Licensing Board, the nomination of THOMAS I. NAKAMA, term to expire June 30, 2008, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 640, submitting for consideration and confirmation to the Hawaii Commission for National and Community Service, the nomination of GWEN HONJO, term to expire June 30, 2009, was referred jointly to the Committee on Higher Education and the Committee on Labor.

Gov. Msg. No. 641, submitting for consideration and confirmation to the Natural Area Reserve System Commission, the nomination of REBECCA R. ALAKAI, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 642, submitting for consideration and confirmation to the Natural Area Reserve System Commission, the nomination of RICHARD P. HOEFLINGER, term to expire

June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 643, submitting for consideration and confirmation to the Natural Area Reserve System Commission, the nomination of SCOTT K. ROWLAND, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 644, submitting for consideration and confirmation to the Natural Area Reserve System Commission, the nomination of SYLVIANNE C. YEE, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 645, submitting for consideration and confirmation to the Center for Nursing Advisory Board, the nomination of GARY R. KIENBAUM RN, term to expire June 30, 2005, was referred to the Committee on Higher Education.

Gov. Msg. No. 646, submitting for consideration and confirmation to the Center for Nursing Advisory Board, the nomination of GARY R. KIENBAUM RN, term to expire June 30, 2009, was referred to the Committee on Higher Education.

Gov. Msg. No. 647, submitting for consideration and confirmation to the Board of Examiners in Optometry, the nomination of DANTE P. BUERANO JR., term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 648, submitting for consideration and confirmation to the Pest Control Board, the nomination of MOHINDER S. MAAN, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 649, submitting for consideration and confirmation to the Advisory Committee on Pesticides, the nomination of ROBERT D. HAUFF, term to expire June 30, 2009, was referred to the Committee on Water, Land, and Agriculture.

Gov. Msg. No. 650, submitting for consideration and confirmation to the Real Estate Commission, the nomination of BRIAN J. FORREST, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 651, submitting for consideration and confirmation to the State Rehabilitation Council, the nomination of JANE KNOX, term to expire June 30, 2009, was referred to the Committee on Human Services.

Gov. Msg. No. 652, submitting for consideration and confirmation to the State Rehabilitation Council, the nomination of LARRY M. LITTLETON, term to expire June 30, 2009, was referred to the Committee on Human Services.

Gov. Msg. No. 653, submitting for consideration and confirmation to the State Rehabilitation Council, the nomination of KRISTINE K. H. PAGANO, term to expire June 30, 2009, was referred to the Committee on Human Services.

Gov. Msg. No. 654, submitting for consideration and confirmation to the Hawaii Simplified Sales and Use Tax Administration Act, the nomination of CRAIG K. HIRAI, term to expire June 30, 2009, was referred to the Committee on Ways and Means.

Gov. Msg. No. 655, submitting for consideration and confirmation to the Hawaii Simplified Sales and Use Tax Administration Act, the nomination of LOWELL KALAPA, term to expire June 30, 2009, was referred to the Committee on Ways and Means.

Gov. Msg. No. 656, submitting for consideration and confirmation to the Small Business Regulatory Review Board, the nomination of SHARON L. PANG, term to expire June 30, 2005, was referred to the Committee on Business and Economic Development.

Gov. Msg. No. 657, submitting for consideration and confirmation to the Small Business Regulatory Review Board, the nomination of SHARON L. PANG, term to expire June 30, 2009, was referred to the Committee on Business and Economic Development.

Gov. Msg. No. 658, submitting for consideration and confirmation to the Board of Speech Pathology and Audiology, the nomination of BARRY F. LUTERMAN PH.D., term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 659, submitting for consideration and confirmation to the Tax Review Commission, the nomination of ISAAC W. CHOY, term to expire Adjournment Sine Die 2007, was referred to the Committee on Ways and Means.

Gov. Msg. No. 660, submitting for consideration and confirmation to the Tax Review Commission, the nomination of RONALD I. HELLER, term to expire Adjournment Sine Die 2007, was referred to the Committee on Ways and Means.

Gov. Msg. No. 661, submitting for consideration and confirmation to the Tax Review Commission, the nomination of LON K. OKADA, term to expire Adjournment Sine Die 2007, was referred to the Committee on Ways and Means.

Gov. Msg. No. 662, submitting for consideration and confirmation to the Tax Review Commission, JOHN W. ROBERTS, term to expire Adjournment Sine Die 2007, was referred to the Committee on Ways and Means.

Gov. Msg. No. 663, submitting for consideration and confirmation to the Hawaii Teacher Standards Board, the nomination of WRAY JOSE, term to expire June 30, 2006, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 664, submitting for consideration and confirmation to the Hawaii Teacher Standards Board, the nomination of CHARLENE H. MIYASHIRO, term to expire June 30, 2008, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 665, submitting for consideration and confirmation to the Hawaii Teacher Standards Board, the nomination of STEVE NAKASATO, term to expire June 30, 2007, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 666, submitting for consideration and confirmation to the Hawaii Teacher Standards Board, the nomination of ANNETTE NISHIKAWA, term to expire June 30, 2007, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 667, submitting for consideration and confirmation to the Hawaii Teacher Standards Board, the nomination of CATHERINE H. PAYNE, term to expire June

30, 2007, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 668, submitting for consideration and confirmation to the Hawaii Teacher Standards Board, the nomination of FAIRFAX A. REILLY M.ED., term to expire June 30, 2008, was referred to the Committee on Education and Military Affairs.

Gov. Msg. No. 669, submitting for consideration and confirmation to the Commission on Transportation, the nomination of DAVID R. MARSHALL, term to expire June 30, 2006, was referred to the Committee on Transportation and Government Operations.

Gov. Msg. No. 670, submitting for consideration and confirmation to the Board of Regents of the University of Hawaii, the nomination of ALLAN R. LANDON, term to expire June 30, 2009, was referred to the Committee on Higher Education.

Gov. Msg. No. 671, submitting for consideration and confirmation to the Board of Regents of the University of Hawaii, the nomination of RONALD K. MIGITA, term to expire June 30, 2005, was referred to the Committee on Higher Education.

Gov. Msg. No. 672, submitting for consideration and confirmation to the Board of Regents of the University of Hawaii, the nomination of RONALD K. MIGITA, term to expire June 30, 2009, was referred to the Committee on Higher Education.

Gov. Msg. No. 673, submitting for consideration and confirmation to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, the nomination of VICTOR D. MORELAND PHD, term to expire June 30, 2007, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 674, submitting for consideration and confirmation to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, the nomination of CHARLES H. DAWRS, term to expire June 30, 2008, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 675, submitting for consideration and confirmation to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, the nomination of KENNETH J KNAPP, term to expire June 30, 2005, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 676, submitting for consideration and confirmation to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, the nomination of KENNETH J KNAPP, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

Gov. Msg. No. 677, submitting for consideration and confirmation to the Board of Certification of Operating Personnel in Wastewater Treatment Plants, the nomination of LEWIS CURTIS TINDELL III, term to expire June 30, 2009, was referred to the Committee on Commerce, Consumer Protection and Housing.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 476 to 499) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 476, transmitting H.C.R. No. 75, H.D. 1, which was adopted by the House of Representatives on April 8, 2005, was placed on file.

By unanimous consent, H.C.R. No. 75, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO RE-EVALUATE ITS MEMORANDUM OF UNDERSTANDING WITH THE CRUISE SHIP INDUSTRY," was referred jointly to the Committee on Energy, Environment, and International Affairs and the Committee on Health.

Hse. Com. No. 477, returning S.B. No. 3, S.D. 2, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, the Senate disagreed to the amendments proposed by the House to S.B. No. 3, S.D. 2, and requested a conference on the subject matter thereof.

Hse. Com. No. 478, returning S.B. No. 40, S.D. 1, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, the Senate disagreed to the amendments proposed by the House to S.B. No. 40, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 479, returning S.B. No. 76, S.D. 1, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, the Senate disagreed to the amendments proposed by the House to S.B. No. 76, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 480, returning S.B. No. 122, S.D. 1, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, the Senate disagreed to the amendments proposed by the House to S.B. No. 122, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 481, returning S.B. No. 556, S.D. 2, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, the Senate disagreed to the amendments proposed by the House to S.B. No. 556, S.D. 2, and requested a conference on the subject matter thereof.

Hse. Com. No. 482, returning S.B. No. 621, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

Hse. Com. No. 498, returning S.B. No. 1872, which passed Third Reading in the House of Representatives on April 8, 2005, in an amended form, was placed on file.

On motion by Senator Hee, seconded by Senator Hogue and carried, the Senate disagreed to the amendments proposed by the House to S.B. No. 1872, and requested a conference on the subject matter thereof.

Hse. Com. No. 499, informing the Senate that the House reconsidered its action taken on April 8, 2005, in disagreeing to the amendments proposed by the Senate to H.B. No. 624 (S.D. 1), was placed on file.

STANDING COMMITTEE REPORT

Senator Taniguchi, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1625) recommending that S.C.R. No. 134, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 1625 and S.C.R. No. 134, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE LEASE OF SUBMERGED LANDS AT KEEHI SMALL BOAT HARBOR FOR REDEVELOPMENT, MANAGEMENT, AND OPERATION BY HONOLULU MARINE, INC., FOR A COMMERCIAL SHIP REPAIR FACILITY," was deferred until Thursday, April 14, 2005.

ORDER OF THE DAY

ADOPTION OF RESOLUTIONS

MATTERS DEFERRED FROM FRIDAY, APRIL 8, 2005

Stand. Com. Rep. No. 1432 (S.C.R. No. 41):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 41, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DAMON ESTATE TO CONSIDER DEDICATING MOANALUA GARDENS AND KAMANANUI VALLEY TO MOANALUA GARDENS FOUNDATION AND ASSISTING MOANALUA GARDENS FOUNDATION IN SETTING UP AN ENDOWMENT TO ENSURE THE GARDENS REMAIN AVAILABLE FOR PUBLIC USE," was adopted.

Stand. Com. Rep. No. 1433 (S.R. No. 20):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 20, entitled: "SENATE RESOLUTION REQUESTING THE DAMON ESTATE TO CONSIDER DEDICATING MOANALUA GARDENS AND KAMANANUI VALLEY TO MOANALUA GARDENS FOUNDATION AND ASSISTING MOANALUA GARDENS FOUNDATION IN SETTING UP AN ENDOWMENT TO ENSURE THE GARDENS REMAIN AVAILABLE FOR PUBLIC USE," was adopted.

Stand. Com. Rep. No. 1438 (S.C.R. No. 79, S.D. 1):

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the Committees was adopted and S.C.R. No. 79, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A TASK FORCE TO FACILITATE THE ESTABLISHMENT OF VIABLE NATURALLY OCCURRING RETIREMENT COMMUNITIES," was adopted.

Stand. Com. Rep. No. 1453 (S.C.R. No. 90, S.D. 1):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 90, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION STUDY THE STANDARDS OF ACHIEVEMENT UTILIZED BY OTHER JURISDICTIONS TO MEET THE REQUIREMENTS OF THE NO CHILD LEFT BEHIND ACT," was adopted.

Stand. Com. Rep. No. 1456 (S.C.R. No. 222, S.D. 1):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 222, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CHARTER SCHOOL ADMINISTRATIVE OFFICE TO COORDINATE A REVIEW TO ASSESS THE IMPACTS OF HAWAIIAN-FOCUSED CHARTER SCHOOLS ON HAWAIIAN STUDENT PERFORMANCE," was adopted.

Stand. Com. Rep. No. 1465 (S.C.R. No. 81, S.D. 1):

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the Committees was adopted and S.C.R. No. 81, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO PROVIDE COVERAGE FOR ALCOHOL AND DRUG ABUSE SCREENING IN EMERGENCY ROOMS," was adopted.

Stand. Com. Rep. No. 1474 (S.C.R. No. 155, S.D. 1):

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the Committees was adopted and S.C.R. No. 155, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE HAWAII TOURISM AUTHORITY TO CONVENE A WORK GROUP OF INTERESTED PARTIES TO EXAMINE THE FEASIBILITY OF HOSTING AN INTERNATIONAL PACIFIC ASIAN YOUTH BASEBALL LEAGUE CHAMPIONSHIP TOURNAMENT IN THE STATE," was adopted.

Stand. Com. Rep. No. 1475 (S.R. No. 87, S.D. 1):

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the Committees was adopted and S.R. No. 87, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE HAWAII TOURISM AUTHORITY TO CONVENE A WORK GROUP OF INTERESTED PARTIES TO EXAMINE THE FEASIBILITY OF HOSTING AN INTERNATIONAL PACIFIC ASIAN YOUTH BASEBALL LEAGUE CHAMPIONSHIP TOURNAMENT IN THE STATE," was adopted.

Stand. Com. Rep. No. 1490 (S.C.R. No. 103):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 103, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING REVIEW BY THE AUDITOR CONCERNING THE LICENSING AND REGULATION OF PROFESSIONS AND VOCATIONS BY THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS," was adopted.

Stand. Com. Rep. No. 1491 (S.C.R. No. 114):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 114, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE ANALYSIS OF THE REGULATION OF CHECK CASHERS," was adopted.

Stand. Com. Rep. No. 1492 (S.C.R. No. 167):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 167, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE ANALYSIS OF THE REGULATION OF CONDOMINIUM ASSOCIATION MANAGERS," was adopted.

Stand. Com. Rep. No. 1493 (S.C.R. No. 144):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 144, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO DO A STUDY ON MEDICAL MALPRACTICE INSURANCE," was adopted.

Stand. Com. Rep. No. 1494 (S.R. No. 55):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 55, entitled: "SENATE RESOLUTION REQUESTING REVIEW BY THE AUDITOR CONCERNING THE LICENSING AND REGULATION OF PROFESSIONS AND VOCATIONS BY THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS," was adopted.

ADOPTION OF RESOLUTIONS

S.C.R. No. 111, S.D. 1:

On motion by Senator Hee, seconded by Senator Hogue and carried, S.C.R. No. 111, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE EMERGENCY CONTRACEPTION INTERAGENCY WORK GROUP TO DEVELOP A MECHANISM TO EFFECTIVELY DISSEMINATE INFORMATION ON THE AVAILABILITY OF OVER-THE-COUNTER EMERGENCY CONTRACEPTION IN THE STATE," was adopted.

S.C.R. No. 197, S.D. 1:

On motion by Senator Hee, seconded by Senator Hogue and carried, S.C.R. No. 197, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DIRECTOR OF HEALTH TO CONVENE A MEDICAL MARIJUANA WORKING GROUP TO MAKE RECOMMENDATIONS TO IMPROVE HAWAII'S MEDICAL MARIJUANA PROGRAM," was adopted.

At 10:18 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:23 o'clock a.m.

THIRD READING

H.B. No. 1659, H.D. 1, S.D. 1:

On motion by Senator Kokubun, seconded by Senator Hooser and carried, H.B. No. 1659, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NONCOMMERCIAL

PIERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1407 (H.B. No. 164, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1407 was adopted and H.B. No. 164, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UNAUTHORIZED MOTION PICTURE RECORDING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1408 (H.B. No. 551, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1408 was adopted and H.B. No. 551, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC MEETINGS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1409 (H.B. No. 582, H.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1409 was adopted and H.B. No. 582, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MISSING CHILD CENTER-HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 685, S.D. 1:

On motion by Senator Hanabusa, seconded by Senator Hee and carried, H.B. No. 685, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WIRELESS ENHANCED 911 SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1411 (H.B. No. 852, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1411 was adopted and H.B. No. 852, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PERMIT APPROVALS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1412 (H.B. No. 864, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1412 was adopted and H.B. No. 864, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1415 (H.B. No. 1749, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1415 was adopted and H.B. No. 1749, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL OFFENSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1417 (H.B. No. 477, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1417 was adopted and H.B. No. 477, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EXEMPTING ROTH INDIVIDUAL RETIREMENT ACCOUNTS FROM ATTACHMENT OR SEIZURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 155, H.D. 1, S.D. 1:

On motion by Senator Kim, seconded by Senator Menor and carried, H.B. No. 155, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1441 (H.B. No. 606, H.D. 1, S.D. 2):

On motion by Senator Menor, seconded by Senator Baker and carried, Stand. Com. Rep. No. 1441 was adopted and H.B. No. 606, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO STANDARDS FOR NET METERED RENEWABLE ENERGY SYSTEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1445 (H.B. No. 437):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1445 was adopted and H.B. No. 437, entitled: "A BILL FOR AN ACT RELATING TO DRIVING UNDER THE INFLUENCE OF AN INTOXICANT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1446 (H.B. No. 438, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1446 was adopted and H.B. No. 438, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC OFFENSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1447 (H.B. No. 502, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1447 was adopted and H.B.

No. 502, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC OFFENSES REQUIRING IMPOSITION OF INCREASED PENALTIES FOR SUBSEQUENT OFFENSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1450 (H.B. No. 1550, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1450 was adopted and H.B. No. 1550, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1460 (H.B. No. 835, H.D. 2, S.D. 1):

On motion by Senator Menor, seconded by Senator Baker and carried, Stand. Com. Rep. No. 1460 was adopted and H.B. No. 835, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING PLANS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1462, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 1462, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1666, H.D. 1, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 1666, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1668, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 1668, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1487 (H.B. No. 450, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1487 was adopted and H.B. No. 450, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1488 (H.B. No. 500, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1488 was adopted and H.B. No. 500, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1496 (H.B. No. 162, H.D. 2, S.D. 1):

On motion by Senator Inouye, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 1496 was adopted and H.B. No. 162, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1497 (H.B. No. 912, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1497 was adopted and H.B. No. 912, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR SMALL BUSINESS DEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1498 (H.B. No. 556, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1498 was adopted and H.B. No. 556, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR WIRELESS ENHANCED 911," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1499 (H.B. No. 758, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1499 was adopted and H.B. No. 758, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT PRACTICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1501 (H.B. No. 842, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1501 was adopted and H.B. No. 842, S.D. 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF BONDS FOR EDUCATION PURPOSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1502 (H.B. No. 843, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1502 was adopted and H.B. No. 843, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL LUNCH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1504 (H.B. No. 1029, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1504 was adopted and H.B. No. 1029, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DEPARTMENT OF DEFENSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1507 (H.B. No. 1295, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1507 was adopted and H.B. No. 1295, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOLS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1509 (H.B. No. 1555, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1509 was adopted and H.B. No. 1555, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HUALALAI ACADEMY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1510 (H.B. No. 1605, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1510 was adopted and H.B. No. 1605, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOLS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1513 (H.B. No. 792, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1513 was adopted and H.B. No. 792, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL TRADE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1515 (H.B. No. 1301, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1515 was adopted

and H.B. No. 1301, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1516 (H.B. No. 1536, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1516 was adopted and H.B. No. 1536, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ALA WAI CANAL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1517 (H.B. No. 516, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1517 was adopted and H.B. No. 516, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY HEALTH POWERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1518 (H.B. No. 683, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1518 was adopted and H.B. No. 683, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE ADULT MENTAL HEALTH DIVISION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1519 (H.B. No. 684, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1519 was adopted and H.B. No. 684, H.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HEALTH EMERGENCY AMBULANCE SERVICE CONTRACTS COLLECTIVE BARGAINING COSTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1521 (H.B. No. 19, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1521 was adopted and H.B. No. 19, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO UNIVERSITY PROJECTS AND AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR HOUSING UNITS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1522 (H.B. No. 20, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1522 was adopted

and H.B. No. 20, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1527 (H.B. No. 384, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1527 was adopted and H.B. No. 384, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ATTORNEYS' FEES FOR COURT APPOINTED COUNSEL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1528 (H.B. No. 434, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1528 was adopted and H.B. No. 434, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CAREER CRIMINAL PROSECUTION UNITS AND VICTIM WITNESS ASSISTANCE PROGRAMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1529 (H.B. No. 447, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1529 was adopted and H.B. No. 447, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1530 (H.B. No. 466, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1530 was adopted and H.B. No. 466, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE OFFICE OF ELECTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1531 (H.B. No. 488, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1531 was adopted and H.B. No. 488, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1534 (H.B. No. 1733, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1534 was adopted and H.B. No. 1733, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BIOLOGICAL EVIDENCE," having

been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1535 (H.B. No. 1740, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1535 was adopted and H.B. No. 1740, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC VOTING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1537 (H.B. No. 1750, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1537 was adopted and H.B. No. 1750, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR COMMUNITY-BASED REINTEGRATION PROGRAMS FOR FEMALE OFFENDERS TRANSITIONING FROM PRISON TO THE COMMUNITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1538 (H.B. No. 250, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1538 was adopted and H.B. No. 250, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1539 (H.B. No. 251, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1539 was adopted and H.B. No. 251, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1540 (H.B. No. 252, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1540 was adopted and H.B. No. 252, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1541 (H.B. No. 253, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1541 was adopted and H.B. No. 253, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE

BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1542 (H.B. No. 254, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1542 was adopted and H.B. No. 254, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1543 (H.B. No. 255, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1543 was adopted and H.B. No. 255, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1544 (H.B. No. 256, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1544 was adopted and H.B. No. 256, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1545 (H.B. No. 257, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1545 was adopted and H.B. No. 257, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1546 (H.B. No. 258, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1546 was adopted and H.B. No. 258, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1547 (H.B. No. 259, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1547 was adopted and H.B. No. 259, S.D. 1, entitled: "A BILL FOR AN ACT

MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1548 (H.B. No. 260, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1548 was adopted and H.B. No. 260, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1549 (H.B. No. 261, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1549 was adopted and H.B. No. 261, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1550 (H.B. No. 262, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1550 was adopted and H.B. No. 262, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1551 (H.B. No. 263, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1551 was adopted and H.B. No. 263, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1556 (H.B. No. 1594, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1556 was adopted and H.B. No. 1594, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1557 (H.B. No. 1595, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1557 was adopted

and H.B. No. 1595, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1558 (H.B. No. 1596, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1558 was adopted and H.B. No. 1596, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1559 (H.B. No. 1597, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1559 was adopted and H.B. No. 1597, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1560 (H.B. No. 1598, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1560 was adopted and H.B. No. 1598, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1561 (H.B. No. 1599, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1561 was adopted and H.B. No. 1599, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1564 (H.B. No. 283, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1564 was adopted and H.B. No. 283, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT ESTABLISHING A COMMISSION TO RECOGNIZE AND HONOR SENATOR HIRAM L. FONG," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1565 (H.B. No. 906, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1565 was adopted and H.B. No. 906, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE PROCEEDINGS ON THE INTERNET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1567 (H.B. No. 1657, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1567 was adopted and H.B. No. 1657, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST HOKU SCIENTIFIC," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1568 (H.B. No. 1152, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1568 was adopted and H.B. No. 1152, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1570 (H.B. No. 1556, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1570 was adopted and H.B. No. 1556, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1573 (H.B. No. 168, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1573 was adopted and H.B. No. 168, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1574 (H.B. No. 328, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1574 was adopted and H.B. No. 328, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PURCHASE OF DEVELOPMENT RIGHTS OF AGRICULTURAL LANDS IN WAHIAWA," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1575 (H.B. No. 330, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1575 was adopted and H.B. No. 330, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1576 (H.B. No. 955, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1576 was adopted and H.B. No. 955, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DROUGHT MITIGATING FACILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1577 (H.B. No. 1082, H.D. 3, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1577 was adopted and H.B. No. 1082, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO ABATE AGRICULTURAL THEFT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1578 (H.B. No. 1238, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1578 was adopted and H.B. No. 1238, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON THE ISLAND OF OAHU," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1579 (H.B. No. 1276, H.D. 3, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1579 was adopted and H.B. No. 1276, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCESS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1580 (H.B. No. 1433, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1580 was adopted and H.B. No. 1433, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE COMMISSION ON WATER RESOURCE MANAGEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1583 (H.B. No. 138, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1583 was adopted and H.B. No. 138, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BOOKMOBILES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1586 (H.B. No. 460, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1586 was adopted and H.B. No. 460, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CIVIL SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1589 (H.B. No. 954, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1589 was adopted and H.B. No. 954, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR AGRICULTURAL INFRASTRUCTURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1590 (H.B. No. 1360, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1590 was adopted and H.B. No. 1360, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE WAIALUA AGRIBUSINESS INCUBATOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1592 (H.B. No. 1640, H.D. 3, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1592 was adopted and H.B. No. 1640, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1594 (H.B. No. 1200, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1594 was adopted and H.B. No. 1200, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1595 (H.B. No. 222, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1595 was adopted and H.B. No. 222, S.D. 2, entitled: "A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR THE PRESCHOOLS OPEN DOORS PROGRAM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1598 (H.B. No. 393, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1598 was adopted and H.B. No. 393, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COUNTIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1600 (H.B. No. 471, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1600 was adopted and H.B. No. 471, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1601 (H.B. No. 491, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1601 was adopted and H.B. No. 491, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MAKENA STATE BEACH PARK," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1602 (H.B. No. 1278, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1602 was adopted and H.B. No. 1278, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO IMPROVING WATER QUALITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1603 (H.B. No. 1280, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1603 was adopted and H.B. No. 1280, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FLOOD CONTROL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1607 (H.B. No. 631, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1607 was adopted and H.B. No. 631, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1611 (H.B. No. 99, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1611 was adopted and H.B. No. 99, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1617 (H.B. No. 1378, H.D. 1, S.D. 2):

By unanimous consent, action on Stand. Com. Rep. No. 1617 and H.B. No. 1378, H.D. 1, S.D. 2, was deferred until later in the calendar.

Stand. Com. Rep. No. 1618 (H.B. No. 1554, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1618 was adopted and H.B. No. 1554, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1620 (H.B. No. 1763, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1620 was adopted and H.B. No. 1763, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1622 (H.B. No. 115, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1622 was adopted and H.B. No. 115, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MILITARY AFFAIRS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At 10:25 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:52 o'clock a.m.

THIRD READING

Stand. Com. Rep. No. 1514 (H.B. No. 1015, H.D. 2, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 1514 be adopted and H.B. No. 1015, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble then offered the following amendment (Floor Amendment No. 4) to H.B. No. 1015, H.D. 2, S.D. 1:

SECTION 1. HB 1015 H.D.2 S.D.2 is amended by adding the following to be designated as sections 1-19:

"SECTION 1. The legislature finds that recycling is an important element of an integrated solid waste management system, which can protect and preserve environmental resources and reduce economic costs to residents and businesses within the state.

The legislature finds that the state deposit beverage container program (state deposit program) under part VIII of chapter 342G, Hawaii Revised Statutes, was enacted before the city and county of Honolulu decided to fully implement a comprehensive residential recycling program.

The legislature further finds that the city and county of Honolulu's comprehensive residential recycling program, when fully implemented, will accept a substantial majority of empty beverage containers currently recycled under the state deposit program. Given that seventy-two per cent of Hawaii's residents live on the island of Oahu and will benefit from the city and county of Honolulu's comprehensive residential recycling program once it is fully implemented, the legislature finds that the need for the state deposit program will be substantially reduced.

Because the legislature finds that the state deposit program has caused Hawaii's residents extreme difficulty in recycling their empty beverage containers and will be unduly burdensome and unnecessarily duplicative once the city and county of Honolulu fully implements its comprehensive residential recycling program, Part I of this Act will:

- (1) Amend the state deposit program to eliminate the deposit and related requirements; provided that the city and county of Honolulu has fully implemented its comprehensive residential recycling program by December 31, 2005; and
- (2) Support county recycling programs by requiring the state to provide revenues from the deposit beverage container fee to counties that have implemented comprehensive residential recycling programs.

PART I

SECTION 2. Section 342G-101, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:

"Comprehensive residential recycling program" means a county-wide recycling program in which residential recyclable material is collected from a majority of the county's residents and:

- (1) Received by an approved in-state company for an approved end use recycling;
- (2) Received by a department-permitted recycling facility;
- or
- (3) Transported out-of-state."

2. By amending the definitions of "consumer" and "dealer" to read:

"Consumer" means a person who buys a beverage in a deposit beverage container for use or consumption [and pays the deposit].

"Dealer" means a person who engages in the sale of beverages in deposit beverage containers to a consumer [for off-premises consumption in the State]."

3. By repealing the definitions of "on-premises consumption", "recycling facility", "redeemer", "redemption center", "redemption rate", "refillable beverage container", and "reverse vending machine".

"On-premises consumption" means to consume deposit beverages by a consumer immediately and within the area under control of the establishment, including bars, restaurants, passenger ships, and airplanes.

"Recycling facility" means all contiguous land and structures and other appurtenances, and improvements on the land used for the collection, separation, recovery, and sale [or] reuse of secondary resources that would otherwise be disposed of as municipal solid waste, and is an integral part of a manufacturing

process aimed at producing a marketable product made of postconsumer material.

"Redeemer" means a person, other than a dealer or distributor, who demands the refund value in exchange for the empty deposit beverage container.

"Redemption center" means an operation which accepts from consumers and provides the refund value for empty deposit beverage containers intended to be recycled and ensures that the empty deposit beverage containers are properly recycled.

"Redemption rate" means the percentage of deposit beverage containers redeemed over a reporting period. The percentage is calculated by dividing the number of deposit beverage containers redeemed by the number of deposit beverage containers sold and then multiplying that number by one hundred.

"Refillable beverage container" means any deposit beverage container which ordinarily would be returned to the manufacturer to be refilled and resold.

"Reverse vending machine" means a mechanical device, which accepts one or more types of empty deposit beverage containers and issues a redeemable credit slip with a value not less than the container's refund value. The refund value payments shall be aggregated and then paid if more than one container is redeemed in a single transaction."

SECTION 3. Section 342G-102, Hawaii Revised Statutes, is amended to read as follows:

"§342G-102 Deposit beverage container fee. (a) Beginning on October 1, 2002, every deposit beverage distributor shall pay to the department a deposit beverage container fee on each polyethylene terephthalate, high density polyethylene, or metal deposit beverage container manufactured in or imported into the [State.] state. The fee shall be imposed only once on the same deposit beverage container. The fee shall be 0.5 [cents] cent per deposit beverage container.

(b) Beginning on October 1, 2004, every deposit beverage distributor shall pay to the department a deposit beverage container fee on each deposit beverage container manufactured in or imported into the [State.] state. The deposit beverage container fee shall not apply to deposit beverage containers exported for sale outside of the [State.] state. The fee shall be imposed only once on the same deposit beverage container. The fee shall be 1 cent per deposit beverage container.

(c) No county shall impose or collect any assessment or fee on deposit beverage containers for the same or similar purpose that is the subject of this chapter.

~~(d) Beginning January 1, 2005, and every August 1 thereafter, the department shall notify deposit beverage distributors in writing of the amount of the deposit beverage container fee. The effective date of changes to the fee amount shall be September 1. The fee shall be based on the redemption rate calculated annually based on the redemption rate information submitted to the department for the previous period of July 1 through June 30. The fee amount shall be as follows:~~

- ~~(1) If the redemption rate is seventy per cent or less: 1 cent per container; and~~
- ~~(2) If the redemption rate is greater than seventy per cent: 1.5 cents per container."~~

SECTION 4. Section 342G-104, Hawaii Revised Statutes, is amended to read as follows:

"§342G-104 Deposit into deposit beverage container [deposit] special fund; use of funds. (a) There is established in the state treasury the deposit beverage container [deposit] special fund, into which shall be deposited:

- (1) All revenues generated from the deposit beverage container fee as described under sections 342G-102 and 342G-105;
- (2) All revenues generated from the deposit beverage container deposit as described under sections 342G-105 and 342G-110; and
- (3) (2) All accrued interest from the fund.

(b) Moneys in the deposit beverage container [deposit] special fund shall be used to reimburse [refund values and pay handling fees to redemption centers. The department may also use the money to:] the department for administering this part and to provide moneys to any county that has certified in writing to the department that it has implemented a comprehensive residential recycling program. The department shall distribute the moneys to the qualifying counties monthly on a per capita basis. A county that receives a portion of the deposit beverage container special fund shall use the money to:

- (1) Fund administrative, audit, and compliance activities associated with [collection and payment of the deposits and handling fees of the deposit beverage container] the comprehensive residential recycling program;
- (2) Conduct recycling education and demonstration projects;
- (3) Promote recyclable market development activities;
- (4) Support the handling and transportation of [the deposit beverage containers] recyclable material to end-markets;
- (5) Hire personnel to oversee the implementation and administration of the [deposit beverage container] comprehensive residential recycling program, including permitting and enforcement activities; [and]
- (6) Fund associated office expenses[-]; and
- (7) Advance any other purpose deemed necessary by the county to support its comprehensive residential recycling program."

~~[(c) Any funds that accumulate in the deposit beverage container deposit special fund shall be retained in the fund unless determined by the auditor to be in excess, after adjustments to the deposit beverage fee, pursuant to the management and financial audits conducted in accordance with section 342G-107.]"~~

SECTION 5. Section 342G-105, Hawaii Revised Statutes, is amended to read as follows:

"[F]§342G-105[F] Deposit beverage container inventory report and payment. (a) Beginning October 1, 2002, payment of the deposit beverage container fee [and deposits as described in section 342G-110] shall be made monthly based on inventory reports of the deposit beverage distributors. All deposit beverage distributors shall submit to the department documentation in sufficient detail that identifies:

- (1) The number of beverages in deposit beverage containers[-, by container size and type,] manufactured in or imported [to] into the [State;] state; and
- (2) The number of these deposit beverage containers[-, by container size and type,] exported [and intended] for [consumption out] sale outside of the [State] state during the reporting period.

(b) The amount due from deposit beverage distributors shall be the net number of deposit beverage containers imported into or manufactured [into] in the [State] state (the total number of containers imported or manufactured less the total number of containers exported for [consumption] sale outside of the [State] state) multiplied by the [sum of the prevailing] deposit beverage container fee [and the refund value of 5 cents]. Payment shall be made by check or money order payable to the "Department of Health, State of Hawaii". All inventory reports and payments shall be made no later than the fifteenth day of the month following the end of the payment period of the previous month."

SECTION 6. Section 342G-107, Hawaii Revised Statutes, is amended to read as follows:

"[F]§342G-107[F] Management and financial audit. The auditor shall conduct a management and financial audit of the program for fiscal years 2004-2005 and 2005-2006, and for each fiscal year thereafter ending in an even-numbered year. The auditor shall submit the audit report, including [the amount of unredeemed refund value and] recommendations, to the legislature and the department no later than twenty days prior to

the convening of [the] next applicable regular session. The costs incurred by the auditor for the audit shall be reimbursed by the deposit beverage container program special fund. The auditor may contract the audit services of a third party to conduct the audit.”

SECTION 7. Section 342G-111, Hawaii Revised Statutes, is amended to read as follows:

“§342G-111 Sales of beverages in deposit beverage containers; distributor report; fee [and deposit payment].

(a) By January 1, 2005, every deposit beverage distributor who pays a deposit beverage container fee to the department shall charge the dealer or consumer a deposit [equal to the refund value] beverage container fee for each deposit beverage container sold in Hawaii. [The deposit charge may appear as a separate line item on the invoice.

(b) Each dealer shall charge the consumer the deposit beverage container deposit at the point of sale of the beverage, excluding sales for on-premises consumption. The deposit charge may appear as a separate line item on the invoice.

(c) Each deposit beverage distributor shall generate and submit to the department a monthly report on:

- (1) The number of deposit beverage containers [by container size and type] manufactured in or imported into the [State] state; and
- (2) The number of deposit beverage containers [by container size and type] exported [and intended for consumption out] for sale outside of the [State] state during the reporting period.

All information contained in the reports, including confidential commercial and financial information, shall be treated as confidential and protected to the extent allowed by state law.

(d) Payment of the deposit beverage container fee [and deposits as described in section 342G-110] shall be made monthly based on reports of the deposit beverage distributors under subsection (c).

(e) Beginning January 1, 2005, a deposit beverage distributor who annually imports or manufactures one hundred thousand or fewer deposit beverage containers may submit reports and payments required under subsections (b) and (c) [and (d)] on a semi-annual basis; provided that the semi-annual report and payment period shall end on June 30 and December 31 of each year.

(f) The amount due from a deposit beverage distributor shall be the net number of deposit beverage containers sold multiplied by the [sum of the prevailing] deposit beverage container fee [and the deposit value of 5 cents]. Payment shall be made by check or money order payable to the “Department of Health, State of Hawaii”. All reports and payments shall be made no later than the fifteenth day of the month following the end of the previous payment period.

(g) The department may allow dealers to charge customers the refund value beginning November 1, 2004; provided that the deposit beverage containers are clearly marked with the refund value and the deposit beverage distributor has paid the refund value on each container to the department. The dealer shall inform customers that the deposits paid prior to January 1, 2005, shall not be redeemable until January 1, 2005.”

SECTION 8. Section 342G-121, Hawaii Revised Statutes, is amended to read as follows:

“[§342G-121] Audit authority. The records of the deposit beverage distributor [dealer, redemption center, and recycling facility] shall be made available, upon request, for inspection by the department, a duly authorized agent of the department, or the auditor. Any proprietary information obtained by them shall be kept confidential and shall not be disclosed to any other person, except:

- (1) As may be reasonably required in an administrative or judicial proceeding to enforce any provision of this chapter or any rule adopted pursuant to this chapter; or
- (2) Under an order issued by a court or administrative agency hearing officer.”

SECTION 9. Section 342G-110, Hawaii Revised Statutes, is repealed.

“[§342G-110] Payment and application of deposits. (a) By January 1, 2005, every deposit beverage container sold in this State shall have a refund value of 5 cents. Each container shall have the refund value clearly indicated on it as provided in section 342G-112.

(b) The refund value is the amount of the deposit required. Once a refund value has been applied to a deposit beverage container, the deposit on that container may not be changed and shall be paid to the State.

(c) The deposit on each filled deposit beverage container shall be paid by the deposit beverage distributor, who manufactures or imports beverages in deposit beverage containers. Payment and reporting of the deposits shall be in accordance with section 342G-105. The deposits shall be deposited into the deposit beverage container deposit special fund as described in section 342G-104.

(d) Deposit beverage distributors who are required under subsection (c) to pay a deposit shall also pay a deposit beverage container fee and register with the State.”

SECTION 10. Section 342G-112, Hawaii Revised Statutes, is repealed.

“[§342G-112] Deposit beverage container requirements.

(a) Except as provided in subsection (b), every deposit beverage container sold in the State shall clearly indicate the refund value of the container and the word “Hawaii” or the letters “HI”. The names or letters representing the names of other states with comparable deposit legislation may also be included in the indication of refund value. The refund value on every deposit beverage container shall be clearly, prominently, and indelibly marked by painting, printing, scratch embossing, raised letter embossing, or securely affixed stickers and shall be affixed on the top or side of the container in letters at least one-eighth inch in size.

(b) Subsection (a) does not apply to any type of refillable glass deposit beverage container which has a brand name permanently marked on it and which has the equivalent of a refund value of at least 5 cents which is paid upon receipt of the container by a dealer or deposit beverage distributor.

(c) All deposit beverage containers that do not indicate the Hawaii refund value by January 1, 2005, and are intended for sale shall be sold with stickers as specified in subsection (d).

(d) Stickers that indicate the Hawaii refund value may be purchased from the department from November 1, 2004, to December 31, 2004. Surplus stickers may be redeemed at the department by March 1, 2005. The cost of a sticker shall be equal to the Hawaii refund value.”

SECTION 11. Section 342G-113, Hawaii Revised Statutes, is repealed.

“[§342G-113] Redemption of empty deposit beverage containers. (a) Except as provided in subsection (b), a dealer shall:

- (1) Operate a redemption center by July 1, 2005, and shall accept all types of empty deposit beverage containers with a Hawaii refund value;
- (2) Pay to the redeemer the full refund value for all deposit beverage containers that bear a valid Hawaii refund value; and
- (3) Ensure each deposit beverage container collected is recycled, and forward documentation necessary to support claims for payment as stated in section 342G-119 or rules adopted under this part.

(b) Subsection (a) shall not apply to any dealer:

- (1) Who is located in a high density population area as defined by the director in rules, and within two miles of a certified redemption center that is operated independently of a dealer;
- (2) Who is located in a rural area as defined by rule;
- (3) Who subcontracts with a certified redemption center to be operated on the dealer’s premises;

- (4) ~~Whose sales of deposit beverage containers are only via vending machines;~~
- (5) ~~Whose place of business is less than five thousand square feet of interior space;~~
- (6) ~~Who can demonstrate physical or financial hardship, or both, based on specific criteria established by rule; or~~
- (7) ~~Who meets other criteria established by the director.~~

~~Notwithstanding paragraphs (1) and (2), the director may allow the placement of redemption centers at greater than prescribed distances to accommodate geographical features while ensuring adequate consumer convenience.~~

~~(c) Regardless of the square footage of a dealer's place of business, dealers who are not redemption centers shall post a clear and conspicuous sign at the primary public entrance of the dealer's place of business that specifies the name, address, and hours of operation of the closest redemption center locations.~~

~~(d) If there is no redemption center within the two-mile radius of a dealer due to the criteria described in subsection (b), then the respective county and the State shall determine the need for a redemption center in that area. If a redemption center is deemed necessary, then the State, with assistance from the county, shall establish the redemption center with funding from the deposit beverage container deposit special fund.~~

~~(e) Businesses that sell deposit beverages for on-premises consumption, such as hotels, bars, and restaurants, shall collect used deposit beverage containers from the consumer, and use a certified redemption center for the collection of containers, or become a certified redemption center."~~

~~SECTION 12. Section 342G-114, Hawaii Revised Statutes, is repealed.~~

~~["§342G-114 Redemption centers. (a) Prior to operation, redemption centers shall be certified by the department.~~

~~(b) Applications for certification as a redemption center shall be filed with the department of health on forms prescribed by the department.~~

~~(c) The State, at any time, may review the certification of a redemption center. After written notice to the person responsible for the establishment and operation of the redemption center and to the dealers served by the redemption center, the State, after it has afforded the redemption center operator a hearing in accordance with chapter 91, may withdraw the certification of the center if it finds that there has not been compliance with applicable laws, rules, permit conditions, or certification requirements:~~

- ~~(d) Redemption centers shall:~~
 - ~~(1) Accept all types of empty deposit beverage containers for which a deposit has been paid;~~
 - ~~(2) Verify that all containers to be redeemed bear a valid Hawaii refund value;~~
 - ~~(3) Pay to the redeemer the full refund value in either cash or a redeemable voucher for all deposit beverage containers, except as provided in section 342G-116;~~
 - ~~(4) Ensure each deposit beverage container collected is recycled through a contractual agreement with an out-of-state recycler or an in-state recycling facility permitted by the department; provided that this paragraph shall not apply if the redemption center is operated by a recycler permitted by the department; and~~
 - ~~(5) Forward the documentation necessary to support claims for payment as stated in section 342G-119.~~

~~(e) Redemption centers' redemption areas shall be maintained in full compliance with applicable laws and with the orders and rules of the department, including permitting requirements, if deemed necessary, under chapter 342H."~~

~~SECTION 13. Section 342G-115, Hawaii Revised Statutes, is repealed.~~

~~["§342G-115 Reverse vending machine requirements. Reverse vending machines may be used by redemption centers to satisfy the requirements of section 342G-113. Reverse vending machines shall accept any type of empty deposit beverage container and pay out the full refund value in either~~

~~cash or a redeemable voucher for those containers that bear a valid Hawaii refund value. If the reverse vending machine is unable to read the barcode to calculate the refund value, then the department may specify a delayed date in which the reverse vending machines may be used. The reverse vending machine shall be routinely serviced to ensure proper operation and continuous acceptance of empty deposit beverage containers and payment of the refund value."]~~

~~SECTION 14. Section 342G-116, Hawaii Revised Statutes, is repealed.~~

~~["§342G-116 Refusal of refund value payment for a deposit beverage container. Redemption centers shall refuse to pay the refund value on any broken, corroded, dismembered, flattened deposit beverage container, or any deposit beverage container which:~~

- ~~(1) Contains a free flowing liquid;~~
- ~~(2) Does not properly indicate a refund value; or~~
- ~~(3) Contains a significant amount of foreign material."]~~

~~SECTION 15. Section 342G-117, Hawaii Revised Statutes, is repealed.~~

~~["§342G-117 Handling fees and refund values for certified redemption centers. (a) The department shall pay to each certified redemption center a handling fee of not less than the prevailing deposit beverage container fee for each deposit beverage container redeemed by a consumer that is:~~

- ~~(1) Transported out of state;~~
- ~~(2) Received by an approved in-state company for an approved end use for recycling; or~~
- ~~(3) Received by a department-permitted recycling facility.~~

~~(b) The department shall evaluate the handling fee at least once per year. If the department changes the amount of the handling fee, the department shall publish notice of the change within thirty days of its determination.~~

~~(c) The handling fee shall be paid in addition to the refund value of each empty deposit beverage container. Payments for handling fees shall be based on redemption center reports submitted to the department; provided that there is no discrepancy in the reports. The department may choose to pay the handling fee and refund value on the basis of the total weight of the containers received by material type and the average weight of each container type.~~

~~(d) A handling fee and refund value may only be paid once for each container redeemed by a consumer and claimed by a redemption center in accordance with section 342G-119."~~

~~SECTION 16. Section 342G-119, Hawaii Revised Statutes, is repealed.~~

~~["§342G-119 Redemption center reporting. The department shall pay certified redemption centers handling fees and refund values as described in section 342G-117, based on collection reports submitted by the redemption centers. All redemption centers shall submit to the department the following information on forms prescribed by the department, which information shall include at a minimum:~~

- ~~(1) The number or weight of deposit beverage containers of each material type accepted at the redemption center for the reporting period;~~
- ~~(2) The amount of refunds paid out by material type;~~
- ~~(3) The number or weight of deposit beverage containers of each material type transported out of state or to a permitted recycling facility; and~~
- ~~(4) Copies of out of state transport and weight receipts or acceptance receipts from permitted recycling facilities. If the redemption center and the recycling facility are the same entity, copies of out of state transport and weight receipts, or documentation of end use accepted by the department, shall also be included.~~

~~The requests for payment shall be no more frequent than two times per month."~~

~~SECTION 17. Section 342G-120, Hawaii Revised Statutes, is repealed.~~

~~["§342G-120] Recycling facility reporting. Recycling facilities, in addition to any requirements under chapter 342H, shall prepare or maintain the documents involving empty beverage containers, as required by the department."]~~

~~SECTION 18. Section 342G-122, Hawaii Revised Statutes, is repealed.~~

~~["§342G-122] Advisory committee. The department shall convene an advisory committee to assist it in developing any rules needed to implement this chapter. The department shall select members of the committee so as to obtain input on the state level as well as assess the impact on each individual county, consumers, recyclers, and the beverage industry. Members of the committee shall be appointed by the director and shall serve at the director's pleasure. A simple majority of the committee members shall constitute a quorum for the purposes of recommending rules and providing input to the director."]~~

PART II

SECTION 19. The legislature finds that recycling of beverage containers is an important element of integrated solid waste management system within the state. However, the current deposit beverage container law in its current form, could be revised to work out some problem areas. Part II of this Act will make necessary changes to the current law to ensure maximum recycling in a more user-friendly way."

SECTION 2. HB 1015 H.D.2 S.D.2 is amended by renumbering the remaining sections, sections 20-26.

SECTION 3. HB 1015 H.D.2 S.D.2 is amended by adding a new section, to be designated section 27, with the following language:

"SECTION 27. Part II of this Act shall take effect only if Part I of this Act in not complied with, and shall be effective upon its approval."

Senator Trimble moved that Floor Amendment No. 4 be adopted, seconded by Senator Hogue.

Senator Trimble rose in support of the amendment and said:

"Mr. President, colleagues, the bill title has to do with beverage containers. The larger issue is recycling. I think that we all want the same thing. I have had a lot of feedback from my constituents and they fall into two different categories. One is that I live in a condominium, and in this condominium we have had a recycling program for many years. The other is that there are a lot of small businesses in my district and eating establishments and they also have been in the business of recycling for many years.

"So, instead of trying to recycle the past and decide whether the beverage container law is a Rube Goldberg machine or not, which may be of academic interest, what I've done – and hopefully it is bipartisan – I took a bill that Representative Ken Hiraki introduced in the House this year and amended it to H.B. No. 1015. And what it does is it allows that if the county has a successful curbside recycling program, which has been proven to be the most effective way of encouraging recycling, if that goes into effect by December 31 of this year, then the existing beverage container law will be suspended.

"I urge that you favorably consider this issue, and I ask for a Roll Call vote."

Senator English rose to speak against the floor amendment and stated:

"Mr. President, I rise in opposition to the floor amendment.

"Members, this floor amendment is exactly what the previous speaker said – it's a repeal of the entire bottle bill law should the city and county of Oahu not implement a curbside recycling system.

"There seems to be this continual desire by many people to link the idea of a curbside recycling system with recycling bottles, when in fact you could have both existing, which would help reduce our waste stream considerably.

"The other part of this that's rather strange is that it says a statewide program goes down if one county does something. So, it sets a bad precedent down the line for us because I could set up many other bills to say that if something doesn't happen in Maui County, then something else goes out in the whole state, or if something doesn't happen on Kaua'i, then the program is dead in the whole state.

"It's bad precedent. It does not accomplish what we did before, which was to put in place a recycling system, and so I would ask the members to vote this measure down.

"Thank you."

The motion to adopt Floor Amendment No. 4 was put by the Chair and, Roll Call vote having been requested, failed to carry on the following Ayes and Noes:

Ayes, 5. Noes, 20 (Baker, Bunda, Chun Oakland, English, Espero, Fukunaga, Hanabusa, Hee, Hooser, Ige, Ihara, Inouye, Kanno, Kim, Kokubun, Menor, Nishihara, Sakamoto, Taniguchi, Tsutsui).

The motion to adopt Stand. Com. Rep. No. 1514 and pass H.B. No. 1015, H.D. 2, S.D. 1, on Third Reading was then put by the Chair and carried, Stand. Com. Rep. No. 1514 was adopted and H.B. No. 1015, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

At 10:58 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:00 o'clock a.m.

Stand. Com. Rep. No. 1582 (H.B. No. 1303, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1582 be adopted and H.B. No. 1303, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hogue then offered the following amendment (Floor Amendment No. 5) to H.B. No. 1303, H.D. 2, S.D. 2:

SECTION 1. HB 1303 HD2 SD2, section 1 is unamended.

SECTION 2. HB 1303 HD2 SD2, sections 2-25 are deleted and replaced with the following language:

SECTION 2. Chapter 201G, Hawaii Revised Statutes, is amended by adding to part II a new subpart to be appropriately designated and to read as follows:

" . **REVOLVING FUNDS EXEMPT FROM LAPSE AND TRANSFER**
§201G- **Revolving funds exempt from lapse and transfer.** Notwithstanding any other provision of law, no moneys from the revolving funds administered by the

corporation under subparts B, G, and H or sections 201G-45, 201G-142, and 201G-153 shall be lapsed or transferred to the general fund, except as determined by the corporation to be necessary to further the purposes of the revolving fund.”

SECTION 3. Chapter 201G, Hawaii Revised Statutes, is amended by adding to part III a new subpart to be appropriately designated and to read as follows:

“ . REVOLVING FUNDS EXEMPT FROM LAPSE AND TRANSFER

§201G- Revolving funds exempt from lapse and transfer. Notwithstanding any other provision of law, no moneys from the revolving funds administered by the corporation under subparts A, C, O, and Q or sections 201G-170, 201G-170.5, 201G-223, 201G-411, and 201G-432 shall be lapsed or transferred to the general fund, except as determined by the corporation to be necessary to further the purposes of the revolving fund.”

SECTION 4. Chapter 237, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

“§237- Affordable housing development exemption. (a) There shall be an exemption from the taxes imposed by this chapter for the development of affordable housing. The housing and community development corporation of Hawaii may certify for exemption any qualified person involved with the planning, design, financing, or construction of affordable housing units developed by a private developer; provided that in the case of projects involving the development of market-price as well as affordable housing units, the exemption under this section shall apply exclusively to the units developed as affordable housing units as defined in subsection (e).

(b) All claims for exemption shall be filed with and certified by the housing and community development corporation of Hawaii and forwarded to the department of taxation. The housing and community development corporation of Hawaii shall not be considered a governmental contracting party when it approves any claim for exemption for the purposes of section 104-2.

(c) The exemption shall apply to all amounts received by any certified person for the planning, design, financing, or construction in the State of affordable housing units as described in subsection (a), and on which actual construction has started between July 1, 2005, and June 30, 2007, and which is completed by June 30, 2009, as verified by the housing and community development corporation of Hawaii; provided that the exemption shall not be applied until verification by the housing and community development corporation of Hawaii has been completed; and provided further that if the developer is delayed or hindered from completing the project by reason of floods, earthquakes, or other acts of nature, strikes, lockouts, inability to procure materials, failure of power, riots, insurrection, war, civil or criminal proceedings, injunctions, writs, appeals, stays, or other reason of a like nature, which is not the fault of or capable of being prevented by the developer, then the December 31, 2007 completion deadline may be extended for a period equivalent to the period of the delay. In the event of a delay, the developer shall be required to submit verification of the date of commencement as well as the date of cessation of any of the delaying events, to the housing and community development corporation of Hawaii for verification.

(d) The exemption shall apply only to projects containing the first two thousand five hundred affordable housing units which are certified and completed by December 31, 2007. The amount of the exemption shall not exceed \$ _____ per affordable housing unit.

(e) For the purposes of this section:

“Actual construction” means construction of residential improvements, as well as grubbing, grading, or leveling of the land, construction of roads, installation of utilities, or otherwise preparing undeveloped land for the construction of improvements. “Actual construction” does not mean and shall

exclude project planning, design, or obtaining necessary permits for construction.

“Affordable housing units” means housing units which are sold or rented at rates affordable to households earning up to one hundred forty per cent of the area median income as determined by the United States Department of Housing and Urban Development, and which meet the following unit size specifications:

- (1) Not less than 400 square feet for a studio unit;
- (2) Not less than 600 square feet for a one-bedroom unit; and
- (3) Not less than 800 square feet for a two-bedroom unit.

(f) The provisions of this section shall apply to property subject to chapter 238.

§237- Taxes paid on the rental of residential rental dwellings other than transient accommodations; disposition.

(a) Twenty-five per cent of all taxes paid under this chapter for the rental of residential rental dwellings other than transient accommodations shall be deposited into the rental housing trust fund under section 201G-432.

(b) The department shall adopt rules in accordance to chapter 91 and create forms necessary to effectuate this section.

For the purposes of this section, “residential rental dwellings other than transient accommodations” means the furnishing of a room, apartment, suite, house, or similar dwelling that is customarily occupied by a tenant for more than one hundred eighty consecutive days for each letting by a homeowner, hotel, apartment hotel, motel, condominium property regime or apartment as defined in chapter 514A, cooperative apartment, or rooming house that provides living quarters, or sleeping accommodations, or other place in which lodgings are regularly furnished to tenants for consideration.”

SECTION 5. Section 201G-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is created a board consisting of nine members, of whom six shall be public members appointed by the governor as provided in section 26-34. Public members shall be appointed from each of the counties of Honolulu, Hawaii, Maui, and Kauai. ~~[One public member shall be the chairperson of the rental housing trust fund advisory commission.] One member shall be a person appointed from a list of nominees submitted by the continuum of care systems of each county. Each county continuum of care system shall submit three nominees. For purposes of this section, “continuum of care system” shall have the same meaning that it does in title 24 Code of Federal Regulations section 586.5. At least one public member shall be a person who is directly assisted by the corporation under the federal low-rent public housing or federal section 8 tenant-based housing assistance payments program while serving on the board. The public members of the board shall serve four-year staggered terms; provided that the initial appointments shall be as follows: two members to be appointed for four years; two members to be appointed for three years; and one member to be appointed for two years. [The chairperson of the rental housing trust fund advisory commission shall serve a concurrent term on the board.]~~ The director of business, economic development, and tourism and the director of human services, or their designated representatives, and a representative of the governor’s office, shall be ex officio voting members. The corporation shall be headed by the board.”

SECTION 6. Section 201G-44, Hawaii Revised Statutes, is amended to read as follows:

“§201G-44 Administration of state low income housing projects and programs. (a) The corporation may construct, develop, and administer property or housing for the purpose of state ~~[low income] low-income~~ housing projects and programs.

(b) The corporation shall complete all repairs and renovations to vacant low-income housing units in the State necessary to ensure that the units are sanitary, habitable, and available for rent by December 31, 2008. Twenty-five per cent of all vacant units shall be repaired and ready for occupancy by

December 31, 2006; fifty per cent shall be completed by December 31, 2007; and the balance shall be completed by December 31, 2008.

(c) The corporation shall apply for federal funds through capital fund program grants administered by the United States Department of Housing and Urban Development and may issue bonds in accordance with part III to complete the repairs to the vacant low income housing units as required by subsection (b).

(d) The corporation shall construct new low-income housing units in the State to be available for rent by December 31, 2008. Twenty-five per cent of the units shall be completed and ready for occupancy by December 31, 2006; fifty per cent by December 31, 2007; and the balance shall be completed by December 31, 2008.

(e) The corporation may issue bonds in accordance with part III to complete construction of low-income housing units as required by subsection (c).

~~(f)~~ (f) The corporation shall adopt necessary rules in accordance with chapter 91 including the establishment and collection of reasonable fees for administering the projects or programs and to carry out any state program under ~~[H]subsection[H]~~ (a)."

SECTION 7. Section 201G-118, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The corporation may develop, on behalf of the State or with an eligible developer, or may assist under a government assistance program in the development of, housing projects which shall be exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon; provided that:

- (1) The corporation finds the project is consistent with the purpose and intent of this chapter, and meets minimum requirements of health and safety;
- (2) The development of the proposed project does not contravene any safety standards, tariffs, or rates and fees approved by the public utilities commission for public utilities or the various boards of water supply authorized under chapter 54; and
- (3) The legislative body of the county in which the project is to be situated shall have approved the project.
 - (A) The legislative body shall approve or disapprove the project by resolution within forty-five days after the corporation has submitted the preliminary plans and specifications for the project to the legislative body. If on the forty-sixth day a project is not disapproved, it shall be deemed approved by the legislative body;
 - (B) No action shall be prosecuted or maintained against any county, its officials, or employees on account of actions taken by them in reviewing, approving, or disapproving the plans and specifications; and
 - (C) The final plans and specifications for the project shall be deemed approved by the legislative body if the final plans and specifications do not substantially deviate from the preliminary plans and specifications. The final plans and specifications for the project shall constitute the zoning, building, construction, and subdivision standards for that project. If the project comprises a land area of fifty acres or less, the final plans and specifications for the project shall constitute the land use classification for the project. For purposes of sections 501-85 and 502-17, the executive director of the corporation, or the responsible county official may certify maps and plans of lands connected with the project as having complied with applicable laws and ordinances relating to consolidation and

subdivision of lands, and the maps and plans shall be accepted for registration or recordation by the land court and registrar; and

- (4) ~~The land use commission shall approve or disapprove a boundary change within forty-five days after the corporation has submitted a petition to the commission as provided in section 205-4. If on the forty-sixth day the petition is not disapproved, it shall be deemed approved by the commission.~~"

SECTION 8. Section 201G-121, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In any county, the corporation may develop or may enter into agreements for housing projects with an eligible developer if in the corporation's reasonable judgment a project ~~[is primarily designed for lower income housing.]~~ provides per cent of lower income housing units. The agreement may provide for the housing to be placed under the control of the corporation, or to be sold by the corporation, or to be sold to the corporation as soon as the units are completed and shall contain terms, conditions, and covenants as the corporation, by rules, deems appropriate. Every agreement shall provide for the developer to furnish a performance bond[-] in favor of the corporation, assuring the timely and complete performance of the housing project. Sureties on the bond must be satisfactory to the corporation."

SECTION 9. Section 201G-411, Hawaii Revised Statutes, is amended to read as follows:

"**§201G-411 Dwelling unit revolving fund.** There is created a dwelling unit revolving fund. The funds appropriated for the purpose of the dwelling unit revolving fund and all moneys received or collected by the corporation for the purpose of the revolving fund shall be deposited in the revolving fund. The proceeds in the revolving fund shall be used to reimburse the general fund to pay the interest on general obligation bonds issued for the purposes of the revolving fund, for the necessary expenses in administering subpart F, part II, and for carrying out the purposes of subpart F, part II, including but not limited to the expansion of community facilities constructed in conjunction with housing projects, permanent financing, and supplementing building costs, federal guarantees required for operational losses, and all things required by any federal agency in the construction and receipt of federal funds for housing projects."

SECTION 10. Section 201G-432, Hawaii Revised Statutes, is amended to read as follows:

"**§201G-432 Rental housing trust fund.** (a) There is hereby established a rental housing trust fund to be placed within the corporation.

(b) An amount from the fund, to be set by the corporation and authorized by the legislature, may be used for administrative expenses incurred by the corporation in administering the fund; however, fund moneys may not be used to finance day-to-day administrative expenses of projects allotted fund moneys.

(c) The following may be deposited into the fund: appropriations made by the legislature, revenues from the rental of residential rental dwellings other than transient accommodations as provided in section 237-, private contributions, repayment of loans, interest, other returns, and moneys from other sources.

(d) The fund shall be used to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Permitted uses of the fund may include but are not limited to planning, design, land acquisition, costs of options, agreements of sale, downpayments, equity financing, capacity building of nonprofit housing developers, or other housing development services or activities as provided in rules adopted by the corporation pursuant to chapter 91. The rules may provide for a means of recapturing loans or grants made from the fund if a rental housing project financed under the fund is

refinanced or sold at a later date. The rules may also provide that moneys from the fund shall be leveraged with other financial resources to the extent possible.

~~(e) Moneys in the fund shall be used for the purpose of providing in whole or in part loans or grants for housing projects wherein:~~

- ~~(1) At least fifty per cent of the available units are for persons and families with incomes at or below sixty per cent of the median family income;~~
- ~~(2) At least ten per cent of the available units are for persons and families with incomes at or below thirty per cent of the median income; and~~
- ~~(3) The remaining units are for persons and families with incomes at or below one hundred per cent of the median family income; provided that the corporation may establish rules to ensure full occupancy of fund projects.~~

~~(f) Commencing with fiscal year 1999-2000, at the close of each biennium, at least one-third of the funds allocated to construction projects for the period shall have been committed to projects that guarantee affordable units to persons or families with incomes at or below thirty per cent of the median income pursuant to [subsection] (e)(2). Commencing with the regular session of 2000, the corporation shall submit an annual report to the legislature documenting existing projects in compliance with this subsection no later than twenty days prior to the convening of each regular session.~~

~~(g) (c)~~ For the purposes of this subpart, the applicable median family income shall be the median family income for the county or standard metropolitan statistical area in which the project is located as determined by the United States Department of Housing and Urban Development, as adjusted from time to time.

~~(h) providing (f) In providing loans and grants under this section; provided that,~~ the corporation ~~shall~~ may establish loan-to-value ratios to protect the fund from inordinate risk ~~[and that under no circumstances shall the rules permit the loan-to-value ratio to exceed ninety-five per cent]; [and] provided [further] that the underwriting guidelines shall include a debt-coverage ratio of not less than [1.05 to 1.0] 1.0 to 1.0."~~

SECTION 11. Section 201G-434, Hawaii Revised Statutes, is amended to read as follows:

~~"[§201G-434] Duties of the [advisory commission.] corporation.~~ (a) In addition to any other duties granted by this subpart, the ~~[advisory commission shall advise and assist the board of the corporation.] corporation shall~~ evaluate the fund program each year, and report its evaluation with suggested changes to the legislature not fewer than twenty days before the convening of each regular session starting with the regular session of 1998.

(b) In addition to any other powers and duties granted under subsection (a), the ~~[commission] corporation shall~~:

- ~~(1) Define define~~ the guidelines, procedures, conditions, and details of loans and grants under this section~~];~~, including~~;~~ but not limited to the establishment of loan-to-value and debt-coverage ratios~~]; and~~
- ~~(2) Have the authority to obtain the services of technical and support staff from other government agencies to carry out the purposes of this chapter]."~~

SECTION 12. Section 201G-435, Hawaii Revised Statutes, is amended to read as follows:

~~"[§201G-435] Eligible applicants for funds.~~ Eligible applicants for funds shall include nonprofit and for-profit ~~[developers, including] corporations, limited liability corporations or partnerships, partnerships, and~~ government agencies, who are qualified in accordance with rules adopted by the corporation pursuant to chapter 91."

SECTION 13. Section 201G-436, Hawaii Revised Statutes, is amended to read as follows:

~~"[§201G-436] Eligible projects.~~ (a) Activities eligible for assistance from the fund shall include but not be limited to:

- (1) New construction, rehabilitation, or preservation of ~~[low-income] rental housing units for persons and families with incomes at or below one hundred forty per cent of the median family income~~ that meet the criteria for eligibility described in subsection (c);
 - (2) The leveraging of moneys with the use of fund assets;
 - (3) Pre-development activity grants or loans to nonprofit organizations; and
 - (4) Acquisition of ~~rental~~ housing units for the purpose of preservation as ~~[low-income or very low-income housing.] rental housing units for persons and families with incomes at or below one hundred forty per cent of the median family income.~~
- (b) ~~[Preference shall be given to projects producing] An eligible project shall produce~~ units in at least one of the following categories:
- (1) Multifamily units;
 - (2) Attached single-family units;
 - (3) Apartments;
 - (4) Townhouses;
 - (5) Housing units above commercial or industrial space;
 - (6) Single room occupancy units;
 - (7) Accessory apartment units;
 - (8) Employee housing; ~~[and]~~
 - (9) ~~Mixed finance public housing developments; and~~
 - ~~(9) (10) Other types of units meeting the criteria for eligibility set forth in subsection (c).~~
- (c) The corporation shall establish an application process for fund allocation that gives preference to projects meeting the criteria set forth below ~~[that are listed in descending order of priority]:~~

- (1) Serve the original target group;
- (2) Provide at least per cent of the total number of units for persons and families with incomes at or below thirty per cent of the median family income;
- ~~(2) (3) Provide the maximum number of units [for the least amount of subsidy;] for persons and families with incomes at or below per cent of the median family income;~~
- ~~(3) (4) Are committed to serving the target population over a longer period of time;~~
- ~~(4) (5) Increase the integration of income levels of the immediate community area;~~
- ~~(5) (6) Meet the geographic needs of the target population, such as proximity to employment centers and services; and~~
- ~~(6) (7) Have favorable past performance [with fund moneys;] in developing, owning, managing, or maintaining affordable rental housing.~~

The corporation may include other criteria in the above process as it deems necessary to carry out the purposes of this part.

If the corporation, after applying the process described in this subsection, finds a nonprofit project equally ranked with a for-profit or government project the corporation shall give preference to the nonprofit project in allotting fund moneys."

SECTION 14. Section 237-31, Hawaii Revised Statutes, is amended to read as follows:

"§237-31 Remittances. All remittances of taxes imposed by this chapter shall be made by money, bank draft, check, cashier's check, money order, or certificate of deposit to the office of the department of taxation to which the return was transmitted. The department shall issue its receipts therefor to the taxpayer and shall pay the moneys into the state treasury as a state realization, to be kept and accounted for as provided by law; provided that:

- (1) The sum from all general excise tax revenues realized by the State that represents the difference between \$45,000,000 and the proceeds from the sale of any general obligation bonds authorized for that fiscal year for the purposes of the state educational facilities

improvement special fund shall be deposited in the state treasury in each fiscal year to the credit of the state educational facilities improvement special fund;

- (2) A sum, not to exceed \$5,000,000, from all general excise tax revenues realized by the State shall be deposited in the state treasury in each fiscal year to the credit of the compound interest bond reserve fund; ~~and~~
- (3) ~~The sum from all general excise tax revenues realized by the State that represents twenty-five per cent of all taxes paid under this chapter for the rental of residential rental dwellings other than transient accommodations shall be deposited into the rental housing trust fund under section 201G-432; and~~

(4) A sum, not to exceed the amount necessary to meet the obligations of the integrated tax information management systems performance-based contract may be retained and deposited in the state treasury to the credit of the integrated tax information management systems special fund. The sum retained by the director of taxation for deposit to the integrated tax information management systems special fund for each fiscal year shall be limited to amounts appropriated by the legislature. This paragraph shall be repealed on July 1, 2005."

SECTION 15. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

"§247-7 Disposition of taxes. All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year, ~~[twenty-five]~~ fifty per cent shall be paid into the rental housing trust fund established by section 201G-432 and twenty-five per cent shall be paid into the natural area reserve fund established by section 195-9; and provided further that the funds paid into the natural area reserve fund shall be annually disbursed by the department of land and natural resources after joint consultation with the forest stewardship committee and the natural area reserves system commission in the following priority:

- (1) To natural area partnership and forest stewardship programs;
- (2) Projects undertaken in accordance with watershed management plans pursuant to section 171-58 or watershed management plans negotiated with private landowners; and
- (3) The youth conservation corps established under chapter 193."

SECTION 16. Section 201G-433, Hawaii Revised Statutes, is repealed.

~~["§201G-433 — Rental housing trust fund advisory commission. (a) There is established within the corporation the rental housing trust fund advisory commission consisting of seven members, five of whom shall be public members and appointed pursuant to section 26-34. The public members of the advisory commission shall serve four-year staggered terms; provided that the initial appointments shall be as follows: two members to be appointed for four years; two members to be appointed for three years; and one member to be appointed for two years. As part of this appointment process, an appropriate organization from each of the categories of organizations enumerated below shall submit a list of three public member nominees to the governor. The governor shall select and appoint one public member from each list.~~

~~The public members shall be representative of the following categories of organizations:~~

- (1) Real estate brokers and rental property managers;
- (2) Tenants and renters advocacy organizations;
- (3) Nonprofit housing developers and low-income service providers;
- (4) Mortgage lenders; and

~~(5) Architects and planners.~~

~~A county government official who shall be appointed for a two-year term on a rotating basis among counties and the governor's designated representative shall be ex-officio voting members of the advisory commission.~~

~~(b) The chairperson shall be a public member elected by the members of the advisory commission and shall serve not more than two one-year terms as chair.~~

~~(c) The vice chair shall be a public member elected by the members of the advisory commission.~~

~~(d) Four members shall constitute a quorum. Four affirmative votes shall be necessary for all actions by the advisory commission.~~

~~(e) The members shall receive no compensation for services, but shall be entitled to necessary expenses, including traveling expenses, incurred in the performance of their duties.~~

~~(f) The advisory commission shall advise and serve as the liaison between the board of the corporation and the general public."~~

SECTION 17. Section 201G-431, Hawaii Revised Statutes, is amended by repealing the definition of "advisory commission".

~~[""Advisory commission" means the rental housing trust fund advisory commission established by this subpart."]~~

PART II.

SECTION 18. The legislature finds that the demand for low income housing in Hawaii outweighs the supply. Currently, there is a waiting period from two to five years for low-income housing for both state and federal low-income housing projects. Despite the scarcity of low-income housing, there are a number of vacant state and federal low-income housing units that are currently uninhabitable. If repaired and renovated, these units would be available for applicants on the low-income housing waiting lists, reducing the State's affordable housing shortage.

The legislature further finds that funds for the modernization of federal housing projects are available to low-income housing agencies through capital fund program grants administered by the United States Department of Housing and Urban Development. Grant moneys are designated for improvements to federal low-income housing units, including redesigning, reconstructing, and reconfiguring public housing projects, reducing vacancy, and demolishing and replacing existing low-income housing units.

The purpose of this part is to authorize the issuance of general obligation bonds for the renovation, repair, and construction of low-income housing units, and to require the housing and community development corporation of Hawaii to repair and renovate vacant low-income housing units by December 31, 2008, and to apply for federal capital fund program grants.

SECTION 19. The director of finance is authorized to issue general obligation bonds in the sum of \$ _____, or so much thereof as may be necessary, and the same sum, or so much thereof as may be necessary, is appropriated for fiscal year 2005-2006 for the purpose of repairing and renovating vacant low-income housing units and constructing new low income housing units.

SECTION 20. The appropriation made for the capital improvement project authorized by this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2008, shall lapse as of that date.

SECTION 21. The sums appropriated shall be expended by the housing and community development corporation for the purposes of this Act.

PART III.

SECTION 22. The affordable housing task force established pursuant to Senate Concurrent Resolution (S.C.R.) No. 135, Senate Draft (S.D.) 1 (2004), developed numerous proposals to provide near-term solutions to Hawaii's affordable housing shortage problem. One of the task force's recommendations

submitted was to reorganize the housing and community development corporation of Hawaii into two separate entities, one agency to administer public housing functions, and the other to administer housing finance and development functions. The purpose of this part is to establish a process to effectuate that recommendation.

SECTION 23. The housing and community development corporation of Hawaii shall establish a committee of stakeholders to effectuate the recommendation of the affordable housing task force, as contained in its 2004 report to the legislature pursuant to S.C.R. No. 135, S.D. 1, to split the corporation into two separate entities: one agency to administer public housing functions, and the other to administer housing finance and development functions.

The stakeholders appointed to the committee shall represent:

- (1) The housing and development corporation of Hawaii;
- (2) Federal housing agencies;
- (3) State agencies;
- (4) County agencies;
- (5) Housing developers;
- (6) Financial institutions;
- (7) The real estate industry;
- (8) Affordable housing advocates; and
- (9) Any other entities or stakeholders the housing and development corporation of Hawaii deems appropriate.

SECTION 24. The committee established under section 23 shall:

- (1) Make recommendations on the organizational structure and functions of the two resulting agencies;
- (2) Develop proposed staffing, infrastructure, and budgetary needs for each resulting agency;
- (3) Develop an implementation timeline for its recommendations so that the two resultant agencies will be operational by January 1, 2007, if the committee's recommendations and any amendments made thereto are enacted into law by the twenty-third legislature in 2005;
- (4) Make recommendations on any other issue that the legislature may need to consider in adopting the committee's proposal; and
- (5) Submit proposed legislation and a report that includes its findings and recommendations to the legislature not later than twenty days prior to the convening of the 2006 regular session.

SECTION 25. The committee established under section 23 shall cease to exist upon the adjournment sine die of the 2006 regular session.

SECTION 26. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____, or so much thereof as may be necessary for fiscal year 2005-2006, for the purposes of this Act.

SECTION 27. The sum appropriated shall be expended by the housing and community development corporation of Hawaii for the purposes of this Act.

PART IV.

SECTION 28. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 29. This Act shall take effect on July 1, 2050.

Senator Hogue moved that Floor Amendment No. 5 be adopted, seconded by Senator Trimble.

Senator Hogue rose in support of the floor amendment as follows:

"Mr. President, colleagues, I think it has been the desire of this Legislative Body and the Governor's Administration to move forward on an affordable housing policy that makes sense and, frankly, has some dollars to back it up. I think that has been the vision of this Body since we had the Affordable Housing Task Force. My colleagues, Senators Menor and

Hooser, in fact chaired that, and it was Senator Menor's Committee of which I am a member, the Commerce, Consumer Protection and Housing Committee, that passed an earlier draft of this measure back on March 23rd.

"It noted that more than \$200 million has been raided from these housing funds in the past 10 years. The intent of the Committee was to protect the following eight revolving funds from future raids so that the remaining \$122 million could be used for the purposes for which they were originally intended – which is to provide low income housing to Hawaii's obviously deserved population and, right now, underserved population.

"So, I here by offer a floor amendment to this measure to move this bill to amend the bill back to the original Senate version that we passed in the Committee on Consumer Protection and Housing. This would protect the housing, protect the state low-income housing revolving fund, the teacher housing revolving fund, the housing for elders revolving fund, the housing finance revolving fund, the Keokea revolving fund, the rental assistance revolving fund, the dwelling unit revolving fund, and the rental housing trust fund.

"Members, we have already passed this version. We passed it out of CPH. I ask you to consider moving it back to that particular reading of the bill.

"Thank you very much for your support. Thank you."

Senator Menor rose to speak against the floor amendment and said:

"Mr. President, I rise to offer some brief remarks in opposition to floor amendment no. 5.

"As Senate Housing Chair, I believe that the floor amendment is not only premature, but it ignores the process by which this matter can be considered. In the very near future, H.B. No. 1303, S.D. 2, along with other measures, will be considered in Conference Committee at deliberations. I believe that the kinds of issues and concerns that are raised in the floor amendment can be taken up at that time when we consider this measure in Conference.

"I think that the amendment contains provisions that may merit further attention, however, I don't think that the rate provision, to which the previous Senator had referred, is one of those provisions. I don't think the rate provision should be included in the Hawaii Revised Statutes. Your CPH Committee moved that proposal along to the Ways and Means Committee for further discussion. However, I am convinced that the Chair of Ways and Means, along with the other members of the Ways and Means Committee, are fully committed to assuring adequate funding for housing programs in the State of Hawaii.

So, accordingly, for all of these reasons, I would ask my colleagues to vote against this amendment. Thank you."

Senator Hogue rose and said:

"Mr. President, Roll Call please."

The motion to adopt Floor Amendment No. 5 was put by the Chair and, Roll Call vote having been requested, failed to carry on the following Ayes and Noes:

Ayes, 5. Noes, 20 (Baker, Bunda, Chun Oakland, English, Espero, Fukunaga, Hanabusa, Hee, Hooser, Ige, Ihara, Inouye, Kanno, Kim, Kokubun, Menor, Nishihara, Sakamoto, Taniguchi, Tsutsui).

Senator Ihara rose and said:

"Mr. President, could you note my reservations on this bill."

The Chair so ordered.

The motion to adopt Stand. Com. Rep. No. 1582 and pass H.B. No. 1303, H.D. 2, S.D. 2, on Third Reading was then put by the Chair and carried, Stand. Com. Rep. No. 1582 was adopted and H.B. No. 1303, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Sлом).

Stand. Com. Rep. No. 1614 (H.B. No. 863, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1614 be adopted and H.B. No. 863, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hemmings then offered the following amendment (Floor Amendment No. 6) to H.B. No. 863, H.D. 2, S.D. 2:

SECTION 1. HB 863 H.D.2 S.D.2, section 1 is amended replacing the current language with the following:

"SECTION 1. The high prices paid for gasoline by the residents of this State have been an issue of concern by the legislature and the public for years. The attorney general brought suit against Hawaii's refineries and major gasoline wholesalers, seeking hundreds of millions of dollars in damages for allegedly overcharging local consumers over the years. After the commencement of the litigation, gas prices declined for a while, and then climbed again.

In 2002, the legislature first enacted a gas cap law. Initially intended to take effect on July 1, 2004, the law was amended that year to take effect on September 1, 2005. As that date approaches, gasoline prices may again decline, as they did at the time of the litigation. While the legislature still supports a gas cap if prices continue as they have been, the legislature also recognizes that the situation may continue to change.

In order to be more responsive to the state's economic climate, especially in the months when the legislature is not in session, the legislature finds it appropriate to allow the governor to initiate the start of the law if the economic condition of the state so warrants it. The intent of this Act is not to delegate the legislature's authority as the state's policy-making body to the governor, but to allow the governor to make that economic decision at the appropriate time, when the legislature will not have been in session for three months, based on the State's economic condition at that time.

Additionally, [F]the legislature finds that the establishment and allocation of adequate resources for a vigorous state watchdog system to monitor and oversee the petroleum industry and gasoline market is a prerequisite to fully implementing the regulation of gasoline pricing. The monitoring of fuel prices, volumes, and industry data on costs and profits, and the subsequent analysis and reporting of this information to enforcement agencies, such as the public utilities commission and the departments of the attorney general and taxation, are critical components in the ability of each agency to carry out the regulation of gasoline prices.

Most importantly, the legislature finds that current global energy supplies cannot keep pace with the increased global demands for energy. The growing economies of China and India place Hawaii in a very vulnerable position as we all compete for the same fossil fuel resources. Further, with many oil-producing countries facing political instability and sensitive diplomatic relations, Hawaii's deep dependency on imported

fossil fuels leaves it reliant on factors it cannot control that affect its energy security and economy.

The legislature also finds that a holistic approach is needed to ensure that improvements in one area of Hawaii's energy system do not cause deterioration in another. For instance, replacing residual oil with liquefied natural gas to produce electricity and incorporating ethanol blending are examples of policies that may cause financial difficulties for existing industry participants but may be beneficial to the State's economy overall.

An integrated energy strategy will give the legislature and other policymakers a broad range of policy options, including improved planning and enhanced data collection and monitoring to support the development of a long-term plan with realistic goals. An integrated energy strategy with long-range objectives may also lead to an improved investment climate. Such a plan will also greatly improve strategic partnerships. Additionally, developing an integrated energy strategy will allow the State to pursue meaningful investment strategies and technology options.

Under section 196-4, Hawaii Revised Statutes, the responsibility for long-range planning and coordination of the state's energy systems falls under the director of business, economic development, and tourism, in the director's role as the energy resources coordinator. One of the coordinator's responsibilities is to complete periodic strategic assessments of Hawaii's energy needs and recommend policies and programs to achieve the State's long-term energy objectives found in section 226-18, Hawaii Revised Statutes. The development of a single integrated state energy strategy is consistent with this responsibility.

Therefore, Part II [The purposes] of this Act: [are to:]

- (1) Establishes the petroleum industry monitoring, analysis, and reporting special fund, to be funded from the environmental response revolving fund;
- (2) Requires the department of business, economic development, and tourism to develop and maintain the petroleum industry monitoring, analysis, and reporting system, including an automated petroleum industry information reporting system;
- (3) Redelineates the types of information that the petroleum industry must submit to the department of business, economic development, and tourism; and
- (4) Makes appropriations out of the petroleum industry monitoring, analysis, and reporting special fund to be expended by the:
 - (A) Department of business, economic development, and tourism to establish the petroleum industry monitoring, analysis, and reporting program and to continue support for the Hawaii energy policy forum; and
 - (B) Public utilities commission to implement and operate the petroleum price control program established by chapter 486H, Hawaii Revised Statutes."

SECTION 2. HB 863 H.D.2 S.D. 2, section 2 is amended by inserting the following language:

"PART I.

SECTION 2. Section 486 H-13, Hawaii Revised Statutes, is amended by amending subsection (k) to read as follows:

"(k) The maximum pre-tax wholesale gasoline price imposed by this section shall take effect on September 1, 2005, notwithstanding the lack of adoption of rules pursuant to this section [-]; provided that notwithstanding any law to the contrary, this section shall not become effective until and unless the governor publishes a notice statewide in accordance with section 1-28.5 that the implementation of this section is beneficial to the economic well-being, health and safety of the people of the State. This section shall become effective five

days after the publication of the notice by the governor unless otherwise specified by the governor.”

SECTION 3. HB H.D.2 S.D.2, section 3 is amended by inserting the following language:

“SECTION 3. If section 486H-13, Hawaii Revised Statutes, does not take effect within one hundred eighty days of September 1, 2005, the governor shall submit a report to the legislature no later than twenty days prior to the convening of the next regular session explaining:

- (1) The reasons, along with all relevant facts and statistics, why the governor did not believe that the operation of section 486H-13 during the previous fiscal year would have been beneficial to the economic well-being, health and safety of the people of the State; and
- (2) All efforts the administration has undertaken during the prior fiscal year to:
 - (A) Increase competition in the gasoline wholesale market in the state;
 - (B) Reduce the pre-tax wholesale price of gasoline in the State; and
 - (C) Otherwise improve the market for gasoline in the State.”

SECTION 4. HB 863 H.D.2 S.D.2 is amended by appropriately renumbering the remaining sections, and labelling these sections as “Part II.”

Senator Hemmings moved that Floor Amendment No. 6 be adopted, seconded by Senator Hogue.

Senator Hemmings rose to support the floor amendment as follows:

“Mr. President and colleagues, this has been a volatile issue for well over four years now. We’re rapidly approaching a day when the State of Hawaii, unlike any other state in the nation, is going to step in with government and regulate the price of a consumer commodity – in this case, gasoline.

“I think the proponents of this bill think that it, of course, is something that’s going to serve the consumers well. Well, there seems to be a recognition across the board, with the volatility of the marketplace of oil across the world right now and the actual empirical evidence that this may not work if prices continue to rise on the mainland faster than they’re rising here in Hawaii – the indexed markets are currently more expensive than Hawaii – that this legislation and this attempt to regulate gas wholesale prices would be ineffective and therefore contrary to public interest.

“This amendment is very simple. It allows the Governor to withhold the gas cap from being implemented within 180 days of its scheduled implementation date of September 1st. The Governor must submit to the Legislature the reasons why it was done.

“The political side of this is quite interesting, Mr. President, but I think that there is recognition in the Majority Party that this amendment makes a lot of sense. For those of you in the Majority Party who did not have an opportunity to vote on it in Ways and Means, now is your chance to have your voice heard. It makes a lot of sense for the consumers. It makes a lot of sense for the honor and integrity of this Body to vote on this amendment and vote affirmative.

“There is another issue here too – the leading proponent of this gas cap legislation, the good Senator from Mililani, basically trumped this issue from coming to vote when it was offered as an amendment in Senate Ways and Means because of

a rule called ‘prior consent.’ From what I read in the newspaper, which most of the time is fairly reliable, prior consent did not allow us to take a vote because the author of the bill would not give prior consent to having the bill amended. The author of the bill stated in the same article that he believes in democracy. Well, democracy doesn’t work unless people have a right to vote, and if the vote is blocked by a Senate Rule, we’re not exercising democracy, we’re exercising the will of one Committee Chair.

“So, I think the logical way out of this bind that we’ve put ourselves in, with the prior consent rule, is when this bill, which it is, comes to the Floor, that we amend it here on the Floor. I don’t think this Body, as a whole, needs prior consent to amend a bill even though the rules state that a committee does.

“So, I think the Majority Party can have the best of both worlds with this particular amendment. They can get their will, which seems to be percolating, that we would put the skids on the gas cap being implemented and that we would not contravene your existing rule regarding prior consent since this bill would be voted as an amendment on the Floor of the Legislature by all 25 Legislators. This would be democracy and it would be the fair thing to do.

“I’m urging my colleagues to put aside their partisanship on this particular issue and vote in the affirmative and hope the vote turns out a little better than the prior two, as far as the partisanship goes.

“Thank you, Mr. President.”

Senator Menor rose to speak against the amendment as follows:

“Mr. President, I rise to speak against the proposed floor amendment.

“I urge my Senate colleagues to vote against the proposed amendment because the agenda of its sponsors is obvious, given the stated opposition of the Governor to our previous efforts to reduce the profits of the oil companies.

“By granting the Governor the authority to determine whether or not to implement the gas price cap law, the amendment would effectively kill the price cap. I believe that this would be a major blow to consumers who have been price-gouged by the oil companies for too long now.

“In voting on this amendment, I believe that we are faced with a clear choice. We can stand with those who support this amendment, and therefore the oil companies, who have tried everything that they could to derail the gas price cap from the start, knowing the law itself will cut into the windfall profits that they have enjoyed at the expense of Hawaii residents and businesses, or we can continue our efforts on behalf of Hawaii’s consumers and businesses and try to finalize a workable and effective price cap in the remaining weeks of this Session. I say that we defeat this amendment and stay the course that we set two years ago when we first passed this law.

“Now, some of the proponents of this floor amendment alleged that Legislators are starting to back peddle and have second thoughts because they say the price cap will not work in the current environment of rising oil and gasoline prices. Even if an aberration occurs that momentarily pushed gasoline prices in some part of the mainland higher than those in Hawaii, it is clear that this would be an anomaly.

“When looking at gasoline pricing data over many years, Hawaii consumers would have saved millions of dollars each

year had this law been in effect earlier. For example, a February 21st article in the Honolulu Advertiser reported that Honolulu drivers would have saved nearly \$11 million in 2004 alone if the price cap had been in effect. When you factor in the potential savings on the sale of mid-grade and premium gasoline – and you need to consider the fact that the Advertiser report was based on the sale of regular unleaded gasoline – and when you consider the even greater savings that will be realized on the neighbor islands, it is clear that the amount that would have been saved by Hawaii consumers on a statewide bases in 2004 would have been significantly higher than what the Advertiser reported.

“Mr. President, that’s just one year out of many that Hawaii’s consumers have suffered from the price gouging of the oil companies in this State. But, proponents of this amendment don’t want you to look at the evidence of price gouging over the years. They don’t want you to consider the studies that repeatedly show how an unregulated monopolistic gasoline distribution system makes successive profits off of Hawaii consumers. They don’t want you to think about the reports showing that 20 percent of Chevron’s US gasoline profits in a given year came from Hawaii, notwithstanding the fact that our market makes up only a small fraction of national gasoline consumption. No, they don’t want you to think about these things. They want you to consider an anomaly, even if it’s hypothetical, in which for a week or two the price cap would allow oil companies to charge higher prices than they are currently charging.

“So, I ask you, Mr. President, and my fellow Senate colleagues to please weigh the years of consumer abuse against a momentary period in which prices may be higher on our price cap. And I say may, Mr. President, because this is a cap, not a price targeting mechanism. So if the oil companies, out of the kindness of their heart, want to charge prices below the cap, they are free to do so.

“I would also like to point out that this amendment is not only bad policy, it is inappropriate and would be premature even if we were to assume that the amendment had some merit. Act 242, which the Legislature just passed last Session to refine our gas price cap law, charges the PUC with the responsibility to evaluate and to come up with recommendations to make any necessary adjustments to the cap before it is implemented.

“The PUC will be submitting its report containing its recommendation to the Legislature by the end of this week. Your CPH Committee will be conducting an informational briefing on the report and its recommendations next Tuesday, April 19. I believe that it would be irresponsible for us to consider, at this point in time, another course of action before hearing the evaluations and recommendations that we requested and paid for to guide us in our deliberations on this issue.

“This amendment, Mr. President, is just another attempt to let the oil companies off the hook. I can assure my colleagues that if the PUC recommends changes to the law, I would be open to considering these in Conference Committee.

“Finally, I’d like to emphasize that the proposed floor amendment contains no meaningful alternatives to addressing the problem of excessive gasoline prices that are plaguing Hawaii’s consumers in this State. Its proponents are once again saying we should return to doing nothing, maintain the status quo, give the oil monopoly free reign again. I sincerely hope the majority of my colleagues believe that this would not be acceptable.

“For all the reasons I discussed, I would sincerely appreciate the support of my colleagues in voting this floor amendment down. Thank you.”

Senator Trimble rose in support of the amendment and said:

“Mr. President, I rise in support of this measure.

“Three comments – the first comment is, if the issue is windfall profits, if the issue is price gouging, then why don’t we have a windfall profit tax as was proposed by this Senator two years ago. It appears that is not really the issue.

“The next point I want to make is that markets are not the same over time and that the price of gasoline or the price of crude on the East Coast of the United States is a separate market than we exist in.

“The third point that I’d like to make is that Hawaii is one of the few places in the United States that has excess refining capacity. The likelihood, if we defeat this measure and we do have a gas cap, is that part of our excess refining capacity will be used to supply markets on the West Coast of the United States. I don’t think that’s a desirable result if it winds up with gasoline shortages in Hawaii.

“So, I suggest, colleagues, if the issue is price gouging and windfall profits, that we do it with an excess profit tax. But until we do that, let us pass this amendment and let us end this foolishness of gas caps.

“Thank you.”

Senator Hemmings rose in rebuttal and said:

“Mr. President, I rise on a point of rebuttal.

“Thank you, I appreciate the good Senator from Mililani’s remarks on this issue and I’m quite pleased that we’re having an open and honest discussion on it. And I’m also pleased that he got to dust off his speeches from the last four years and once again utilize it.

“There’s a couple of points that I think are worthy of the Majority Party’s consideration. If there has been any change of course on this issue, it’s been on the good Senator from Mililani’s point of view. Good Senator, you’re the one that originally introduced a bill to cap prices at the retail level. After two years of protest on that, now we’re capping them at the wholesale level. There has been a tremendous change in course in the very foundation of this proposed legislation, unlike any other in the nation, as I said.

“The second point that I think needs rebuttal is that there was quoted some reports regarding gas, and of course the report commissioned by the State of Hawaii and implemented by the Cayetano Administration called the Stillwater Report’s conclusions were very, very explicit about it and they of course generally said that the gas cap is a foolhardy proposal for the people of Hawaii.

“If there are apparitions in the marketplace, the real apparition is here at the Legislature. We talked about helping the consumers. This doesn’t necessarily help the consumers because it is a wholesale gas cap that doesn’t necessarily dictate that it is going to be passed on by the retailers, so it has no direct effect on what the retailer will ultimately charge the consumer.

“The last point I wish to make is the one that is, I think, really important to this discussion. If there is any monopoly

that's exploiting the consumers of Hawaii, we're standing in the midst of it – it's called state government. We have the highest gas taxes in the nation. The state tax alone comes out to approximately 24 cents. The gas tax in its entirety is 58 cents at current prices, approaching 60 cents. If you sincerely want to help consumers, I would suggest you knock a nickel off tomorrow or by the end of this Legislative Session by cutting the gas tax, which is the highest in the nation. By cutting it just one cent, you'd knock off \$5 million in a year. By cutting it five cents per gallon, you would take \$25 million and put it back into the marketplace rather than having it go to state government.

"I might add, for the purposes of this discussion, that the state highway fund, which is funded by the gas taxes is raided every year – \$243 million have been taken out of that fund in the last 10 years. So obviously, this tax is excessive and it's not even being used for what it's intended for – to fix our highways. It's being used for whatever else it's being put to use for in the general fund.

"So, the very reasons illuminated by the good Senator from Mililani who's a proponent of the gas cap are the very reasons why you should vote for this amendment. This gas cap is foolhardy. It will not necessarily drive down the prices of gas. It doesn't address the foundation problems with the prices of everything in Hawaii. If there is a gouging going on, it's going on by state government through the tax and spend policies of this Legislature and the government.

"For all those reasons, I would like to suggest that it would be in the Majority Party's best interest to go along with the amendment offered in the Senate Ways and Means Committee and vote in favor of it.

"Thank you, Mr. President."

The motion to adopt Floor Amendment No. 6 was put by the Chair and, Roll Call vote having been requested, failed to carry on the following Ayes and Noes:

Ayes, 5. Noes, 20 (Baker, Bunda, Chun Oakland, English, Espero, Fukunaga, Hanabusa, Hee, Hooser, Ige, Ihara, Inouye, Kanno, Kokubun, Menor, Nishihara, Sakamoto, Taniguchi, Tsutsui, Whalen).

At 11:22 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:23 o'clock a.m.

Senator Slom rose to speak in opposition to the measure as follows:

"Mr. President, I rise in opposition to the bill.

"There was an attempt, through the amendment, to have some reasonableness about this bill, but that is not the objective, nor is lowering gas prices the objective. As the good Minority Leader had mentioned, we went from a bill that applied to retail dealers to the wholesale level, which means that we'll have no impact whatsoever on retailing other than an adverse and a negative impact.

"I think what we've done is just enhanced this Legislature's reputation for demonizing individual companies. This Legislature, like no other, has gone after and mentioned and had legislation specifically against an oil company, Chevron; against a healthcare organization, HMSA; against a cruise line, Norwegian Cruise Lines, and we should be ashamed of

ourselves because we're not talking about legislation for the people, we're talking about intimidation and vendetta.

"I'll be voting 'no.' Thank you."

The motion to adopt Stand. Com. Rep. No. 1614 and pass H.B. No. 863, H.D. 2, S.D. 2, on Third Reading was then put by the Chair and carried, Stand. Com. Rep. No. 1614 was adopted and H.B. No. 863, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE PETROLEUM INDUSTRY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 1 (Espero).

THIRD READING

MATTER DEFERRED FROM EARLIER ON THE CALENDAR

Stand. Com. Rep. No. 1617 (H.B. No. 1378, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1617 be adopted and H.B. No. 1378, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hanabusa rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak in favor of H.B. No. 1378, H.D. 1, S.D. 2.

"Mr. President, this measure has been taken off the consent calendar and moved to the ordinary calendar based upon concerns raised by an article written by Lee Cataluna in this morning's Advertiser. I believe that this is an opportune moment to explain to yourself, Mr. President, and other members who may have questions about what this particular measure does.

"By way of brief history, Mr. President, this measure is a result of the S.R. No. 40 task force, which was the hard work of the good Senators from Makiki and Kalihi and they met with all the various stakeholders on this action.

"What this bill addresses is the issues regarding temporary restraining orders, protective orders, its res judicata and collateral estoppel effect, and really it was an attempt to address concerns raised primarily by, I believe, the fathers who felt that they were not getting a fair shake in the judiciary.

"Unfortunately, what has happened over the years is the judiciary and the TRO process has been used as a mechanism by which advantages are gained in custody hearings and in divorce proceedings. We have heard testimony in various related measures that what is happening is people rush to the court and claim abuse, and the way it stands now, it's just domestic abuse, and by doing that, they gain the advantage because the courts have been affording res judicata and collateral estoppel effect to those TRO hearings.

"Mr. President, TRO, members, ex parte means exactly that – it is temporary in nature, usually, but it's ex parte, meaning the person does not have the opportunity to say their side. Usually it's his side.

"What this bill does is attempts to strike that balance that is necessary. The main thing it does is it distinguishes between protective orders, which are resultant of a hearing from that which is a TRO proceeding ex parte. To get an ex parte TRO,

you must have evidence of physical abuse, and that is because no one – no one, Mr. President – wants to take away the fact that people who are physically abused, physically being threatened by the abuse, and the court is satisfied that that finding can be made, that that person should be protected.

“However, the criticism of that action was, what about other forms of abuse that occur? And that’s the issue of domestic abuse, Mr. President. And we’re saying domestic abuse protective orders are warranted, but that’s after everyone has the opportunity to be heard.

“Also in this measure, Mr. President, we address the res judicata, collateral estoppel effect of those kinds of protective orders. In the past, once you went in and you won your preliminary hearing, it sort of carried you for the rest of the hearing. What this says is it will not have the res judicata, collateral estoppel effect, but in fact what it will do is it will give you the opportunity to present a case to the court and everyone will have a de novo hearing.

“Mr. President, these are the main aspects of these bills. It also requires the court not to make extensive findings of facts and conclusions of law in the event that a protective order is given, but they must give a rationale so the person against whom the order is filed has the opportunity to understand the reasons why.

“Mr. President, I believe this bill is a good balance, and that is why your Judiciary Committee and the subsequent Committee of Ways and Means has amended it to say as it does, and it does level the playing field.

“Thank you, Mr. President, I ask yourself and other members to support us in the passage of this measure. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1617 was adopted and H.B. No. 1378, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO THE JUDICIARY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

THIRD READING

H.B. No. 1222, H.D. 1:

Senator Kanno moved that H.B. No. 1222, H.D. 1, having been read throughout, pass Third Reading, seconded by Senator Ihara.

Senator Trimble rose to speak in opposition to the measure as follows:

“Mr. President, I rise in opposition to H.B. No. 1222.

“A simple phrase was added that I feel is excessively broad, and that has to do with changes that would affect promotional opportunity. Because of the broadness of this statement, I will be casting a ‘no’ vote.”

The motion was put by the Chair and carried, H.B. No. 1222, H.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Slom, Trimble). Excused, 1 (Espero).

Stand. Com. Rep. No. 1413 (H.B. No. 938, H.D. 1, S.D. 1):

Senator Hanabusa moved that Stand. Com. Rep. No. 1413 be adopted and H.B. No. 938, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Hogue rose with reservations and said:

“Mr. President, there is opposition here from the Department of Human Services, and I want to note my reservations based on their testimony. Thank you.”

The Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1413 was adopted and H.B. No. 938, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO CHILD PROTECTIVE SERVICES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Trimble). Excused, 1 (Espero).

Stand. Com. Rep. No. 1414 (H.B. No. 1442, H.D. 2, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 1414 be adopted and H.B. No. 1442, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Whalen rose to speak against the measure as follows:

“Mr. President, I rise in opposition.

“I won’t repeat everything I’ve said before. I don’t want to be redundant. But I just want to remind everyone that we already have lateral public access along the shoreline and it’s called the beach. The state owns it. It’s public land. It’s already there. And for those places where you can’t cross the beach because of cliffs or whatnot, the bill exempts it, so there’s really no purpose for this.

“I spoke with a proponent of the bill – the lobbyist who submitted or gave this for submission – and this doesn’t even address the point that they are trying to tackle on Kauai, which is mauka, makai access, not lateral access.

“And really, this bill, since there’s already public access along the beach, it’s either, one, we’re doing this to try to get votes from very strong believing environmentalists, or a ‘no’ vote is going to be that we believe in the rights of property owners.

“We already have the access across their land. The beaches are already ours – the public owns it. This is just taking more property from an owner, and if the county wants to deal with this issue, they can without us authorizing them to.

“Thank you.”

Senator Hooser rose to speak in support of the measure and stated:

“Mr. President, I rise in support. I’ll keep my comments brief also.

“Regarding Kauai, the lateral beach access is a very important issue on Kauai and actually our Mayor has a proposal right now trying to do a similar thing that this bill would require.

“I do support the bill. I do wish it was stronger and replaced the ‘may’ with a ‘shall’ in terms of requiring the counties to

require developers, sub-dividers, and condominium property regime owners to connect lateral public access.

“In areas that are at cliff-sides, and the previous speaker is correct, we do have or the public has a right to the beach and to access along the coastline. In those areas where that is not possible, the law says now that in areas of cliffs or areas where the nature of the property is such where there is no reasonable safe transit for the public along the shoreline below the private property lines, the counties, by condemnation, shall establish along the makai boundaries of the property, public transit corridors of not less than six feet wide. So, existing law says that public lateral access must be established through condemnation.

“What this bill does is it provides the counties with a valuable tool requiring developers to provide that when they subdivide the property, and therefore avoiding the expensive condemnation process that the counties, if this law was enforced, would have to go through.

“So, for those reasons, I ask my colleagues to support the bill.”

Senator Kim requested her vote be cast “aye, with reservations,” and the Chair so ordered.

Senator Whalen rose and said:

“Mr. President, I just want to counter. I think there was some confusion as I thought about what the last speaker said. May I just respond very briefly?”

“There is a big difference between condemnation, where an owner is getting compensated for the land that the state is taking or the county. Furthermore, the law that he read out pointed out that the access is already along the shore. It’s just places where the shoreline prevents you from walking along it. Two totally different issues than a small family that has some property that – I believe we moved it down to just five lots – you’d have to take away land on your property where there might be beautiful beach frontage that we can walk along already. So, don’t be confused by the previous speaker’s mixing of these two issues.

“Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1414 was adopted and H.B. No. 1442, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO LATERAL PUBLIC ACCESS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Inouye, Slom, Trimble, Whalen). Excused, 1 (Espero).

Stand. Com. Rep. No. 1418 (H.B. No. 1214, H.D. 2, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 1418 be adopted and H.B. No. 1214, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Slom rose in opposition and said:

“Mr. President, I rise in opposition to this bill.

“Among other things, what this bill does is create a potential conflict with this legislation and the federal Davis-Bacon Act in terms of wages. It also allows for the Legislature, basically, and the state to set wages in terms of private contracts. What it has done is extended the reach of the state law in labor matters to any entity, private or public, that receives any kind of tax credit,

subsidy, grant-in-aid or so forth. I don’t think that was the intent in the original indication.

“In addition to that, it does create a situation where it will be encouraging more lawsuits in the state for this particular purpose.

“Thank you.”

Senators Hanabusa, Kim, Sakamoto, Tsutsui, Ige, Fukunaga and Nishihara requested their votes be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1418 was adopted and H.B. No. 1214, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO PREVAILING WAGES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 18. Noes, 6 (Chun Oakland, Hemmings, Hogue, Slom, Trimble, Whalen). Excused, 1 (Espero).

Stand. Com. Rep. No. 1419 (H.B. No. 1060, H.D. 2, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 1419 be adopted and H.B. No. 1060, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Taniguchi.

Senator Slom rose to speak in opposition as follows:

“Mr. President, I rise in opposition to this bill also.

“There were concerns raised by the attorney general, which have not been addressed even in the amendment to this bill, and opposition from the Department of Human Services. What it really does is restrict decision-making from the Department of Human Services.

“Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1419 was adopted and H.B. No. 1060, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO MEDICAID,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 2 (Espero, Hee).

Stand. Com. Rep. No. 1420 (H.B. No. 1305, H.D. 1):

On motion by Senator Hanabusa, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 1420 was adopted and H.B. No. 1305, H.D. 1, entitled: “A BILL FOR AN ACT RELATING TO EQUAL PAY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 2 (Slom, Trimble). Excused, 2 (Espero, Hee).

Stand. Com. Rep. No. 1440 (H.B. No. 106, H.D. 3, S.D. 2):

Senator Menor moved that Stand. Com. Rep. No. 1440 be adopted and H.B. No. 106, H.D. 3, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Baker.

Senator Hogue requested his vote be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1440 was adopted and H.B. No. 106, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Espero, Hee).

Stand. Com. Rep. No. 1443 (H.B. No. 416, H.D. 2, S.D. 2):

Senator Kokubun moved that Stand. Com. Rep. No. 1443 be adopted and H.B. No. 416, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Taniguchi.

Senator Hemmings rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak in favor of this bill.

"Mr. President, we often rise, especially being in your loyal opposition, to speak against legislation. I want to speak in favor of this legislation, but mostly for the purposes of underscoring a much larger problem.

"This legislation is needed on the Waianae Coast, but it puts a band-aid on a much larger problem that this Legislature should be addressing – and that is, what is the carrying capacity of tourism in the State of Hawaii?"

"It seems that the 7 million tourists a year, or thereabouts, are starting to hit the point of diminishing returns. We're actually making a little more money, but we're losing the Hawaii we love and treasure so much with tourists infiltrating those places of Hawaii which normally are meant for the enjoyment of the local people. In this particular instance, in Waianae it's actually having commercial activity interfere with akule fishermen and other people who literally make a living from the resources of this great state.

"So, I'm hoping when we're passing this legislation, we'll also get into place looking to the future and having some preemptive action to discover what is the carrying capacity of tourism. Should we be spending 60-million-plus dollars a year through the HTA to bring more tourist here when already we're asking specific legislation to keep them out of certain areas? It just doesn't add up.

"I'm hoping that in voting in favor of this bill, it will also develop a consciousness for the larger issue and address it appropriately in future legislation.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1443 was adopted and H.B. No. 416, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE WAIANAE COAST," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

Stand. Com. Rep. No. 1444 (H.B. No. 31, H.D. 2, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 1444 be adopted and H.B. No. 31, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Taniguchi.

Senator Hogue rose in opposition to the measure and said:

"Mr. President, I rise in opposition to this particular measure.

"Mr. President, earlier we talked a little bit about how certain industries have been demonized – specifically, big oil, Norwegian Cruise Lines, etc., etc., HMSA, and obviously the prescription drug industry. The pharmaceutical industry is one of those that has been demonized and this is another attempt to basically go after the pharmaceutical industry.

"In this particular bill, ultimately it would interfere with competition, with interstate commerce, and is arguably unconstitutional. I think it would invite a lawsuit against the state on these and perhaps some other grounds as well.

"So, I'll be voting 'no.' Thank you."

Senator Baker rose to speak in favor of the measure as follows:

"Mr. President, I rise to speak in favor of this measure.

"Mr. President, one of the major drivers in the increasing cost of healthcare in our country is the cost of prescription drugs that continue to go up and up with no controls, no relief in sight. Despite our best efforts, we have many in our state that cannot afford these life-saving prescriptions.

"This measure, while not perfect, perhaps, and certainly not in its final form, attempts to address some transparency issues. It does ask the drug companies to disclose the cost of advertising and gifts which add to the cost of drugs. It also asks for pharmacy benefit management entities to be transparent in what rebates they're giving back so that we can get a handle on what exactly the state is paying for these drugs.

"I think that these measures, coupled with some of the other things that we have done in the past, will go a long way to providing openness to our consumers, to let them have real choice, and to give doctors and other healthcare professionals the information that they need when they're doing their prescribing, perhaps, to go more towards generic drugs.

"I believe that this measure has merit and would encourage my colleagues to help us move it into Conference so that we may perfect it. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1444 was adopted and H.B. No. 31, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen). Excused, 1 (Espero).

Stand. Com. Rep. No. 1448 (H.B. No. 862, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1448 was adopted and H.B. No. 862, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC OFFENSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Slom, Whalen). Excused, 1 (Espero).

Stand. Com. Rep. No. 1449 (H.B. No. 919, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 1449 was adopted and H.B.

No. 919, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO USE OF INTOXICANTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

H.B. No. 1747, H.D. 1, S.D. 1:

Senator Hanabusa moved that H.B. No. 1747, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Slom rose in opposition and said:

"Mr. President, I rise in opposition to this bill.

"This is one of several bills that ostensibly is about campaign reform, but what it really is, is about limitations. The real true campaign reform is transparency. We just heard about that for drugs. If it's good enough for drugs, it should be good for campaigns, but further restrictions on people's choices of who they support and what issues they support are not going to bring this reform.

"Thank you."

Senator Ihara rose in support of the measure with reservations and said:

"Mr. President, I rise in support of this bill . . . but with reservations.

"Mr. President, I have reservations about singling out the election of prosecuting attorneys – and no other races – for substantial increases in funding for only these races in the campaign election partial funding program. The Campaign Spending Commission has estimated that this provision would cost approximately \$1 million to increase the funding for the prosecuting attorney races. This is matching funds for the election campaigns.

"At this time, I am not satisfied that there is sufficient rationale for selecting this race for enhanced funding at a \$1 million price tag.

"Thank you."

Senators Ige and Trimble requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, H.B. No. 1747, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGNS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 18. Noes, 4 (Hemmings, Hogue, Slom, Whalen). Excused, 3 (Espero, Menor, Taniguchi).

H.B. No. 588, H.D. 1, S.D. 1:

Senator Hanabusa moved that H.B. No. 588, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Slom rose to speak in opposition to the measure as follows:

"Mr. President, I rise in opposition to this bill.

"We are talking about, again, transparency and yet we're making it harder for people to find out about convictions and past judicial experiences. This idea of expunging more and more records – we're going to see it when we come up on a bill for the judiciary as well – I think is a bad precedent and denies the public the right to know. Particularly in light of the things that we've had nationally in the last couple of weeks and even locally here, we need to know what the background is of the individuals living among us, particularly if they have been convicted and served time.

"Thank you."

The motion was put by the Chair and carried, H.B. No. 588, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EXPUNGEMENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 2 (Espero, Nishihara).

Stand. Com. Rep. No. 1462 (H.B. No. 150, H.D. 2, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 1462 be adopted and H.B. No. 150, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Slom rose in opposition and said:

"Mr. President, I rise in opposition to this bill.

"This bill has had a troubled past. I think it has a troubled present. I don't think it will stand the muster of legal scrutiny. We're picking on all young people, particularly, rather than what we should be doing – and that is enforcing exciting laws and making tougher penalties, if we need them, against those that actually break the law, rather than taking all individual teenagers as a class.

"Thank you."

Senators English, Ige, Ihara, Taniguchi and Kim requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1462 was adopted and H.B. No. 150, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 2 (Slom, Whalen). Excused, 2 (Espero, Nishihara).

H.B. No. 957, H.D. 1, S.D. 1:

Senator Taniguchi moved that H.B. No. 957, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak in opposition and said:

"Mr. President, I rise in opposition to H.B. No. 957.

"Colleagues, this is another tax credit. If we would be a little bit more sparing in our use of tax credits, then we could address the more fundamental problem of raising the standard deduction and personal exemption that would benefit all the people that are currently paying State of Hawaii income tax.

"Thank you."

The motion was put by the Chair and carried, H.B. No. 957, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 2 (Espero, Nishihara).

H.B. No. 1224, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 1224, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 2 (Hemmings, Slom). Excused, 2 (Espero, Nishihara).

H.B. No. 1235, H.D. 1, S.D. 1:

Senator Taniguchi moved that H.B. No. 1235, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to speak in opposition to the measure and stated:

"Mr. President, I rise in opposition to this bill.

"This bill and the following bill basically increase the perks to Legislators. I think that this is the wrong time and the wrong message that we should be sending to the public.

"Also, originally this bill was to use as a standard, federal mileage allowances and travel amounts and so forth. The bill has been amended, so basically the amounts are going to be determined by you, Mr. President, and the Speaker of the House. And while the money at present may not be a large factor, I think again it sends the wrong message.

"Thank you."

The motion was put by the Chair and carried, H.B. No. 1235, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRAVEL ALLOWANCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Hogue, Slom). Excused, 1 (Espero).

H.B. No. 1236, S.D. 1:

Senator Taniguchi moved that H.B. No. 1236, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill.

"What this bill does is to raise or increase the office allowance that every Legislator has, from the current \$5,000 per year to \$7,500 per year. The rationale that's given is for better communication with one's constituents. But there really are no restrictions in terms of how the money is used and what kind of communication there is, and as we've seen in the past, individual Legislators have used this office allowance as a supplement to our annual salaries in ways that may be viewed as financially inappropriate.

"Thank you."

The motion was put by the Chair and carried, H.B. No. 1236, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Hogue, Slom). Excused, 1 (Espero).

H.B. No. 1461, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 1461, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

H.B. No. 1465, S.D. 1:

Senator Taniguchi moved that H.B. No. 1465, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition and said:

"Mr. President, I rise in opposition to this bill.

"My father was a heavy smoker until the time of his death. My mother was a heavy smoker until the time of her death. Cigarettes contributed to the death of both of them. However, the last time I checked, cigarette smoking is a legal activity in the State of Hawaii and the United States of America. And what we have done, through different forms of legislation nationally and locally, is to really extract money from those people that are engaged in a lawful activity, then we increase the money even more to say that we're going to curb bad behavior.

"If the purpose of this Legislature is to curb bad behavior, we'll have to go year-round because there are so many things that we could tax and regulate and prohibit that one person views as okay and the other person views as bad behavior.

"I have a real difficult time in saying that we're going to continue to raise the tax. It has nothing to do with health; it's all about money. I vote 'no.'

"Thank you."

Senator Baker rose to speak in support of the measure and said:

"Mr. President, I rise in support of this measure.

"With all due respect to my colleague from East Honolulu, the research shows quite the contrary. The research evidenced by the Centers for Disease Control and Protection, among other organizations – the American Heart Association, American Lung Association, American Cancer Association – shows that increasing the cost of tobacco products is the most effective deterrent to smoking that we have at hand. While it's true that in the short term we may actually reap additional tax revenues by raising the tax on cigarettes, that's not the goal of this legislation. The goal is to be a deterrent so that more and more young people do not take up this nasty, addictive, and lethal habit.

"It's been shown in other places that increasing the price of cigarettes by 10 percent could reduce the instances of smoking by our youth by as much as 7 percent. Every year that we deter somebody else from picking up a cancer stick, beginning to smoke, and taking up the habit, we have significantly deterred them from ever engaging in that very bad habit that costs us 1,100 lives a year and \$525 million in additional unnecessary healthcare costs.

"I urge my colleagues to vote in support of this measure."

The motion was put by the Chair and carried, H.B. No. 1465, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 18. Noes, 6 (Hemmings, Hogue, Ige, Slom, Trimble, Whalen). Excused, 1 (Espero).

H.B. No. 1672, S.D. 1:

Senator Taniguchi moved that H.B. No. 1672, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition to the measure as follows:

"Mr. President, I rise in opposition to H.B. No. 1672.

"Colleagues, the power to control the purse strings has always been an executive prerogative, and I think it should remain that way. I will therefore be voting against this measure.

"Thank you."

Senator Taniguchi rose to speak in favor of the measure as follows:

"Mr. President, I just want to rise in favor of this bill.

"Mr. President, I just want to note that this bill requires the Director of Finance to conduct a public hearing on any proposed restriction or withholding of funds appropriated by the Legislature.

"Secondly, and probably more importantly, it also requires notice by the Governor to recipients of grants under Chapter 42F on the status of unreleased grants.

"Mr. President, as we went through from last year, what we found was that a lot of these grant recipients just wanted some certainty as to whether money was going to be provided to them or not. The record of the Governor has shown that she has withheld some of that money, certainly because of some of the fiscal issues that were faced by the State. But I think to a larger extent, what the thrust of this bill is trying to do is to provide some of that certainty to these recipients of these grants so they can plan ahead, and that's really what the thrust of this bill is about.

"Thank you."

Senator Slom rose in opposition and said:

"Mr. President, I rise in opposition to this bill as well.

"In the committee report, the committee report says 'it's not the intent of this bill to compromise or reduce the Governor's budgetary powers.' But as a matter of fact, that's exactly what this bill does. That's what it seeks to do. That's what it will do.

"We have had 40, 50-plus years of governors exercising their executive powers. The Legislature has been able to find out what's going on. The Legislature, of course, initiates and passes the budget and so it really is the Governor and her prerogative and her cabinet to look at these individual items and to be able to present her particular budget for our consideration. But we have the final word now. What this bill seeks to do is strip additional powers from the executive.

"Thank you."

The motion was put by the Chair and carried, H.B. No. 1672, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen). Excused, 1 (Espero).

H.B. No. 100, H.D. 1, S.D. 1:

Senator Taniguchi moved that H.B. No. 100, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Taniguchi rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this measure.

"Mr. President, H.B. No. 100 is the 2005 biennium budget for the executive branch of government. Before I give some short remarks about the bill itself, I would like to acknowledge a few people who were integral in putting this measure together.

"First, it would be my hardworking staff, some of whom have joined us in the gallery today. With your indulgence, Mr. President, I would like them to rise to be recognized. (Members of the Ways and Means staff who were seated in the gallery rose to be recognized.) I would like to thank you, Mr. President, the Senate Leadership, and members of the Ways and Means Committee for all your input, guidance, and leadership for this measure. And finally, I would like to acknowledge the support and encouragement of my wife, Jan, who always challenges me to do what is best for the people of this State.

"Mr. President, as usual, I would like to address this measure with very little fanfare. However, there are two very important areas that I would like to make a few points about – the first is on the Department of Education. In her 2004 State of the Public Education Address, our Superintendent of Education called for a reinvention of the educational system. Last year this Legislature answered the call of the Superintendent and passed Act 51, the Reinventing Education Act of 2004. Although the concepts of this Act are being embraced by the stakeholders of public education, which includes principles, teachers, parents and students, the DOE has faced some stumbling blocks along the way. Some are simply growing pains, but others are unnecessary impediments, one of those being the lack of financial support. In this regard, your Committee provided for estimated shortfalls in key education programs, including autism services, special education, student transportation, and school foodservice.

"In addition, pursuant to Act 51, your Committee also provided for additional funds for the repair and maintenance of school facilities and the converting of school principles from a 10-month salary schedule to a 12-month salary schedule.

"Finally, your Committee provided \$295 million in capital improvement program funds for additional school repairs and maintenance and other needed improvements to our schools. This budget also continues to recognize the need to further the work of the Joint House/Senate Task Force on Ice and Drug Abatement, which provided a comprehensive plan last Legislative Session established under Act 40 to address the ice epidemic.

"Accordingly, we have provided a total of \$13.7 million in general funds for substance abuse treatment services and prevention programs over the biennium for both adolescents and adults. This level of funding provided for substance abuse exceeds the administration's biennium request, which only provided \$6.18 million in general funds.

"To sum up the big budget picture, however, I'll use one of my most often used phrases – and that is that this measure is still a work in progress. On that note, Mr. President, I ask my colleagues to remain patient as we enter into the final weeks of this Session, and I ask all members to support this bill.

"Thank you."

Senator Slom rose in support of the measure and said:

"Mr. President, I rise in support of the budget.

"I, too, would like to offer our accolades to the Ways and Means Chairman and to his staff. The budget process is always a long and arduous process, and they've done a good job. It's a little higher than I'm comfortable with right now, but as the Chairman said, it is a work in progress. It's going to be going to the Conference Committee and hopefully we will have a strong position there.

"I think it's also incumbent upon us, however, to point out some of the improvements and some of the enhancements that were made by various individuals within the state executive branch. I would pick out, particularly, the head of the Department of Human Services who has been very diligent in the last couple of years in finding additional federal funds to help ease our budgetary woes and to use creative means in which to fund different programs, expanding programs, and so forth that benefit adults, children and the infirmed.

"So, we have a program here, a budget that we can support. We thank those people that have put in so much input, and we're ready to go with a strong position into Conference.

"Thank you, Mr. President."

The motion was put by the Chair and carried, H.B. No. 100, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Espero, Whalen).

Stand. Com. Rep. No. 1489 (H.B. No. 85, H.D. 2, S.D. 2):

On motion by Senator Kokubun, seconded by Senator Hooser and carried, Stand. Com. Rep. No. 1489 was adopted and H.B. No. 85, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

Stand. Com. Rep. No. 1500 (H.B. No. 841, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1500 was adopted and H.B. No. 841, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

At 12:01 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:02 o'clock p.m.

Stand. Com. Rep. No. 1503 (H.B. No. 844, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1503 be adopted and H.B. No. 844, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition to the measure as follows:

"Mr. President, I rise in opposition to H.B. No. 844.

"Colleagues, I stopped counting when I got to the third tax credit. I did work for the executive branch for many years and there are very few government employees that I have met in those 20 to 30 years that, sometime in their career, didn't spend their own money for something that they felt made the workplace function better. And the reason why I'm calling your attention to this is that in this particular bill, we're singling out teachers as meritorious of receiving a \$250 tax credit. I don't think it's appropriate because I believe that most public employees, including members on this Floor, do spend their own personal funds to make their workplace a better place.

"The other two tax credits that I noticed before I stopped reading the bill had to do with tax credits for renters or landlords who rented and tax credits for builders who built. I do recognize that there may be shortages, but the best approach is the simple approach, and that approach is to offer a wage differential for those areas in our State where it's hard to get teachers to serve.

"Thank you, Mr. President."

Senator Sakamoto rose to speak in support of the measure as follows:

"Mr. President, I rise in support of the measure with just brief comments in regards to some of the points made by the previous speaker.

"Mr. President, I think in people's workplaces, many people take a pencil and put it in their pocket and take it home. But I believe for teachers, they then have to equip sometimes 30 students or maybe up to 150 students, sometimes with little things like pencils so their work can be done. I believe teachers certainly need our help. The federal government already has a \$250 tax credit. I believe that's one little thing that perhaps we could do to help our teachers do the job they do, and this bill contains many provisions.

"I hope, Mr. President and colleagues, at the end of the day we can do more to help teachers that have chosen that profession to stay in the profession, as well as to encourage our young people to want to become teachers, because it's a profession that we know we can't do without."

Senator Slom rose to speak against the measure and said:

“Mr. President, I rise in opposition to the bill.

“First of all, let’s all agree we all support teachers. We have been supporting teachers in terms of increases in compensation and benefits and other things for a number of years and we’ll continue to do so. But this bill really has several flaws in it as the good Senator, the Chair of Education, mentioned. It’s a voluminous bill with a lot of different parts and several of those parts include the inclusion of creating yet more special funds, which for me is a poison pill for any bill no matter how well defined it is.

“In my reading of the bill, I have problems with it justifying it with Act 51. I find that there are problems with this bill that interfere with the weighted student formula. I also find that there are problems in this bill that adversely affect the principal’s right of autonomy and decision-making. There also is a question about the degree status, an associate degree versus a bachelor degree.

“So, there is a number of problems in this bill. I would hope that before we go into Conference for any bill, we would correct the problems, particularly when they have been discussed previously.

“Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1503 was adopted and H.B. No. 844, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO EDUCATION,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Slom, Trimble). Excused, 1 (Espero).

Stand. Com. Rep. No. 1505 (H.B. No. 1132, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1505 be adopted and H.B. No. 1132, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to speak in opposition as follows:

“Mr. President, I rise in opposition to this bill.

“This bill, again, has a number of defects within it – defects from my point of view at least – not the least of which is centralizing and giving the control for repairs and maintenance to the Department of Education, who have demonstrated over and over again that they are dysfunctional and not qualified or equipped to do this, but we’re going to turn that over to them. And then to make sure that they really create a lot of problems, we are going to establish the Department of Education’s authority to impose and collect impact fees from developers of residential developments. Well, we already have impact fees. So now we’re going to have the DOE collecting impact fees, and presumably we have the City and County of Honolulu and other state agencies as well, and then we wonder why the price of housing and developments continues to go up when we call upon the developers to pay for more and more of these infrastructure activities.

“Thank you.”

Senator Sakamoto rose in support of the measure as follows:

“Mr. President, some comments in response.

“On the part that dealt with impact fees, part of the developer community wants some certainty in what amount of fees to pay. They currently have a land component for schools. They have a varying degree of how much they may be assessed or they pay for the vertical or the buildings, and certainly the developer community wants certainty as well as they want schools to be built. This measure hopefully can achieve closer working together in accomplishing what the developers and the schools both need – quicker and better timing in accomplishing what we need to do.”

Senator Kim requested her vote be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1505 was adopted and H.B. No. 1132, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO EDUCATION,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 1 (Espero).

Stand. Com. Rep. No. 1506 (H.B. No. 1136, H.D. 3, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1506 was adopted and H.B. No. 1136, H.D. 3, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO EDUCATION,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

Stand. Com. Rep. No. 1508 (H.B. No. 1300, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1508 be adopted and H.B. No. 1300, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hogue rose to speak in opposition to the measure and said:

“Mr. President, I rise in opposition to this particular measure, which would put together a task force for early childhood education.

“I think we all agree that we should move towards early childhood education, but after talking with some folks at the Department of Human Services and the administration, this bill is unnecessary. In fact, the administration has recently finalized portions of the early childhood education initiative, including increased funding for the preschool open doors program, financial incentives for parents who choose care with settings with educational components, financial incentives for sitters and care providers, the identifications of available state facilities appropriate for preschool centers, and workforce development support.

“The Governor’s initiative is supportive of formal centers as well as informal group and home care programs. It is these informal and home care programs that makes the Department of Human Service’s programs truly unique because benefits will extend beyond the traditional preschool setting.

“This bill, on the other hand, focuses on just the preschool formal center alone. Therefore, the administration’s measures go far beyond the scope of this particular bill, and I urge my colleagues to vote ‘no’ because the bill as written is unnecessary.

“Thank you.”

Senator Sakamoto rose in support of the measure as follows:

“Mr. President, I’d like to make some comments in response to some of the previous speaker’s comments.”

The President interjected:

“In favor?”

Senator Sakamoto replied:

“In support of the measure. Thank you, Mr. President.

“Mr. President, perhaps the administration feels that they have everything together and perhaps the Department of Human Services thinks they ought to be the czar of preschools. A week ago, there was a comment from a head-start person, now retired, who was very frustrated that some of the facilities in the pre-plus program sat on school campuses – in perhaps your community or some of our communities – unused in part because different rules apply to preschools that apply to kindergarten, first grade, etc.

“Not to downplay the role of the Department of Human Services for doing what they feel is best, but in the preschool community and in the early childcare community, there isn’t a Board of Regents like the university system. There’s no Board of Education like in the K-12 system. There are many voices with many different ideas. This bill didn’t just start up by myself or our colleagues. This measure was developed in conversations with many people in the early childhood community, and certainly it’s time to have a more comprehensive plan to deal with this very important age – 0 to the K-12 system.

“So Mr. President, we need all voices at the table, not just some voice from above.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1508 was adopted and H.B. No. 1300, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO EARLY CHILDHOOD EDUCATION,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hogue, Slom, Trimble). Excused, 1 (Espero).

Stand. Com. Rep. No. 1511 (H.B. No. 1728, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1511 be adopted and H.B. No. 1728, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition and said:

“Mr. President, I rise in opposition to this bill.

“We’ve talked about class size reduction for a long period of time, many years, and many educators and many other people really will tell you that in certain instances, it’s not the size of the classroom – it is the curriculum, it is the teacher, it is the facilities – it’s a number of different things that are important.

“What this bill says is that we’re going to put all of our eggs in one basket and we’re going to reduce the class size no matter what, which again I think is an infringement on the Act 51 powers. It certainly is an infringement on principals and teachers within an individual school.

“My understanding, also further, is that we have several thousand classroom teachers that in fact are not in the classroom right now, which would be a way of alleviating the problem that’s complained of. Also, in terms of infrastructure in certain instances, I’ve heard teachers and others say that if they are given this additional authority or mandated, which is what this bill does – it doesn’t allow for choice, it’s requiring – then, as a matter of fact, what they might do is add another teacher within an existing classroom. So, if you had 35 students with one teacher, you now put another teacher in there. But I don’t think that is the intent and the idea of better and improving education.

“So again, Mr. President, I would really like to see us talking about improvement in curriculum and the way things are actually done in the classroom. But secondarily, if we’re going to live with Act 51 and we’re going to talk about independence and autonomy, then we should allow the schools, the individual schools, the principals, and the teachers to make decisions about what’s right for their school.

“Thank you.”

Senator Hemmings rose to speak against the measure as follows:

“Mr. President, I rise to speak against H.B. No. 1728, H.D. 1, S.D. 2, relating to education.

“Mr. President and colleagues, this is an attempt to do something that always sounds good, and I think a lot of constituents would buy into it because they don’t know all the facts.

“Reducing class size – the question, and it’s rhetorical but it needs to be repeated, is how do we spend close to \$2 billion, over \$10,000 per child, in our public education system on the average and continue year in and year out to produce a product that is not something we can be proud of and continue to be struggling in many schools? And the answer, quite simply, is not lack of money, but, quite interestingly, just outright mismanagement.

“According to the statistics we’ve received from our research, there are approximately 13,000 members of the Hawaii State Teachers Association. The DOE says there are approximately or a little over 9,000 teachers actually in the classrooms. That leaves approximately 4,000 teachers unaccounted for. Where are they? They’re in the bureaucracy doing things other than teaching. We could easily repatriate those teachers to the marketplace of education and have all the teachers we need to reduce class size and not increase spending by one single cent.

“To show you how egregious this process of mismanagement is, our information is that there’s a qualified teacher conducting criminal background checks for the DOE. Is that really what we want to fund – paying for more teachers, giving them pay to further get educated in education then have them doing background checks? I don’t think so. I think the number of teachers in the public education system is adequate. They’re just being involved in the bureaucracy rather than in the classroom.

“The statistics for the number of public workers working in the Department of Education at the taxpayer’s expense, against those in the classroom, clearly illustrate my point. It is a management problem. It is a structure problem. And until we address those, I will not continue to just throw good money after bad in the process.

"I urge my colleagues to look at the reality and not vote on anything else but what is best for the system. Throwing more money at class size, as we do every year, is not going to solve the problem when a lot of the teachers are moving into the bureaucracy. I urge a 'no' vote on this legislation."

Senator Hooser rose in support of the measure and said:

"Mr. President, I rise in support on this bill.

"How anyone cannot support lowering the class sizes in our public schools is quite beyond me, Mr. President. Anyone who has looked at educational research knows that, clearly, small learning communities, small schools, small class sizes make a huge difference in the learning of children and in the progress through the school system. Small class size . . . we can do lots of things and we have done lots of things and supported lots of programs, but lowering class size is the single most tangible, and in my opinion, the most important thing that we can do.

"Many of our students come from families, Mr. President and colleagues, who don't have positive adult role models at home. They don't get the attention they need. Mom and Dad are working or maybe mom and dad are just not around. By lowering class sizes, we put these students into contact with positive role models on a basis that they can relate to. It's not one student with 30-35; it's one student with much lower than that.

"Mr. President, the research is clear – this is money well spent. After the last initiative we passed last Session, Act 51, going around my community, Mr. President, it was clear – parent after parent, teacher after teacher stopped me in supermarkets, in shopping centers, and on the road and thanked me for making a tangible difference in the life and the education of their child by reducing the class size. This initiative takes a very strong effort to continue that to the next step, and I urge my colleagues to support it.

"Thank you."

Senator Hemmings rose in rebuttal and said:

"Mr. President, in short rebuttal, please.

"With all due respect to the good Senator from Kauai, I agree wholeheartedly with him. The intent is to reduce class size. We're not debating on what we want to do. We're debating on how we should best do it. With having close to 4,000 good teachers in the process of serving the bureaucracy rather than serving the needs of the classroom, Mr. President, I believe it's appropriate that we not spend one cent on hiring more teachers. Put the teachers that are working right now in the DOE offices, other than classrooms, put them back into the field. We can accomplish reducing class size without increasing spending with an already expensive process.

"Thank you, Mr. President."

Senator Sakamoto rose in support of the measure and said:

"Mr. President, I rise in support of the measure.

"Mr. President, I guess the speaker from Hawaii Kai talks about Act 51 and how perhaps this is going contrary. I think Act 51 is sort of a big picture that we passed and is in the process of being implemented. At this moment in time, funds do not go to the schools yet, via the weighted student formula, via Act 51. But if we look at class sizes or support for the classroom, one would say, is that adequate? Are the teachers happy? Do we have enough support for the students?

"Perhaps the Senator from Waimanalo might feel the teachers are happy and there's adequate support for the students if somebody came off doing standards, somebody came off doing curriculum, somebody came off looking at the federal laws that confuse and baffle many of us, some people came off 'No Child Left Behind' gobbledygook, some people came off IDEA, some people came off the many, many things that assist the teachers in the classroom. Or do we say that each teacher in the classroom should develop their own standards, develop their own curriculum, develop their own assessment, grade their own assessment? They'll figure it all out sometime between when they go home from school at 5:00 p.m. to when they come back to school at 6:00 a.m.

"Certainly not every teacher is not in the classroom, and perhaps there are some that should be in the classroom that are doing other things. I think Act 51 is a process that the department needs to determine how to set those priorities. In regard to, do we have the adequate amount of teachers in the classroom? I believe, as the Senator from Kauai pointed out and as the teachers say, they need more help.

"This is a mechanism that perhaps we can give more help to. We need more quality teachers. We don't need to hear broken records singing the sad songs of yesterday. We want to sing happier songs for tomorrow, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1511 was adopted and H.B. No. 1728, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Espero).

Stand. Com. Rep. No. 1512 (H.B. No. 408, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1512 was adopted and H.B. No. 408, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Espero).

Stand. Com. Rep. No. 1520 (H.B. No. 1304, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1520 be adopted and H.B. No. 1304, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to speak against the measure as follows:

"Mr. President, I rise in opposition to this bill.

"Oh, no, Mr. President, it's the \$5 increase on marriage licenses. Is it still with us? We can't do that. We want to encourage marriages.

"In addition to that, this healthcare task force it has established, by the way that it's described and who is going to be on it and everything else, it's not a task force. It is an advocacy force for universal healthcare or socialized medicine and now we're going to use taxpayer funds to support it.

"I oppose it. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1520 was adopted and H.B. No. 1304, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 18. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen). Excused, 2 (Espero, Kokubun).

Stand. Com. Rep. No. 1523 (H.B. No. 505, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1523 be adopted and H.B. No. 505, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition and said:

"Mr. President, I rise in opposition to the bill mainly because again I see this is legislative interference with an industry and a business. There certainly should be changes in terms of rates and all, but I'm tired of seeing the Legislature trying to set rates for every business private and public.

"Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1523 was adopted and H.B. No. 505, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 2 (Slom, Trimble). Excused, 2 (Espero, Kokubun).

Stand. Com. Rep. No. 1524 (H.B. No. 1317, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1524 was adopted and H.B. No. 1317, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 2 (Espero, Kokubun).

Stand. Com. Rep. No. 1525 (H.B. No. 1320, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 1525 be adopted and H.B. No. 1320, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak in opposition to the measure as follows:

"Mr. President, I rise in opposition to H.B. No. 1320.

"This bill would require the counties to keep recording 911 calls for a period of one year. My position on this is, number one, it should be a county decision; and number two, there were no cost figures given in terms of the financial impact of the counties other than that of the City and County of Honolulu, which already maintains it for 12 months.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1525 was adopted and H.B. No. 1320, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO

EMERGENCY 911," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 1 (Trimble). Excused, 3 (Espero, Kokubun, Menor).

Stand. Com. Rep. No. 1526 (H.B. No. 278, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 1526 be adopted and H.B. No. 278, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure as follows:

"Mr. President, I'm a strong supporter of victims having restitution, but I'm opposed to this bill because we talk about the perpetrators paying the fee and yet in testimony we've had from the judiciary, they actually get very little payment. So again, it's a situation where the public is lulled into the belief that we have this program; it's working well; it's providing a lot of money for the victims when in fact the judiciary keeps coming to the Legislature for more money for victims and for other purposes.

"Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1526 was adopted and H.B. No. 278, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VICTIM RESTITUTION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Espero, Kokubun, Menor).

Stand. Com. Rep. No. 1532 (H.B. No. 1393, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1532 was adopted and H.B. No. 1393, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMISSION ON THE STATUS OF WOMEN," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 1 (Slom). Excused, 3 (Espero, Kokubun, Menor).

At 12:26 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 1:26 o'clock p.m.

Stand. Com. Rep. No. 1533 (H.B. No. 1713, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1533 be adopted and H.B. No. 1713, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this bill.

"This is another one of the public funding bills. Again, in terms of priorities that we have with our tax money, I don't think that the taxpayers want to support politicians whether it's a limited number of politicians or all politicians. Again, it's a limitation of freedom of choice, freedom of will, and it's not something that should be done by the taxpayers.

"Thank you."

Senators Taniguchi, Trimble, Ige, Nishihara and Tsutsui requested their votes be cast "aye, with reservations," and the Chair so ordered.

Senator Hooser rose to speak in support of the measure with reservations and said:

"Mr. President, I rise in support to speak briefly with reservations.

"I just want to clarify that my reservations, Mr. President, are because of the narrow focus that the legislation now is proposing that was amended in the most recent Committee. I was an ardent supporter in prior discussions and I still support the concept.

"I am hopeful that down the road we can work this into a condition that I'm able to support, but if it stays in this position, I will not be able to support it further, but I am voting with reservations today.

"Thank you."

Senator Espero rose and said:

"Mr. President, support with reservations."

The Chair so ordered.

Senator Ihara rose to speak in favor of the measure with reservations and said:

"Mr. President, I rise to speak in favor of this bill. Actually, I'm speaking in favor of this bill with reservations on this S.D. 2.

"On first crossover, the Senate voted to include legislative races in a program for voluntary comprehensive public funding of election campaigns. I support this concept, Mr. President – the concept of what's often called or referred to as the clean elections program – because I believe it is important to restore public trust by removing conflicts of interest for public policymaking, at least those involving campaign donors.

"Legislators, for example, pass judgement on legislation that affect the people of this State. In contrast, judges are required to recuse themselves from deciding on cases when they have a financial relationship with a party to a case before them. However, Legislators are currently required to take action, make decisions, and vote on legislation even when we have a financial relationship with one of the parties before us that may be involved in legislation before us.

"I believe the current system of privately funded election campaigns reduces public trust, because when a major campaign donor sits across the table at a legislative meeting, the public doesn't really know with certainty if the decisions are made without influence from campaign donors.

"This bill, Mr. President, changes the Senate's previous public policy position by removing legislative races from this program and adding prosecuting attorney races instead. Proponents have given three reasons for this position: (1) the concern for the cost of the clean elections program; (2) focus on executive branch contractors; and (3) interest by the House of Representatives in including only the governor and lieutenant governor's race as well as the prosecuting attorney's races.

"Legislative races were removed from the original bill to reduce the cost of the program based on the concern of funding. But why then include the most costly race – the governor and

lieutenant governor race which costs three times that of legislative races? This is more than the House and Senate races combined. The governor and lieutenant governor races were included because of interest in addressing executive branch contractors. But why do this through a program that will cost about \$15 million when there's a way to do this at a much reduced cost?

"The Senate has, in previous Sessions, passed a ban on campaign donations from government contractors. Such a ban would accomplish the objective, but at no cost rather than the \$15 million that it would cost to include the governor and lieutenant governor races in the clean elections program.

"Finally, I understand that House Leaders have disavowed any responsibility for the alleged desire to involve or include only the governor, lieutenant governor and prosecuting attorney's races in the clean elections program.

"Mr. President, I ask that the Conference Committees on this bill remove from the program the governor and lieutenant governor and prosecuting races and reinstate the legislative races. If the House Leadership wants only House races in the program to further reduce the cost of this program, this would be acceptable to me as a way to begin the program of removing conflicts of interest situations amongst policymakers.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1533 was adopted and H.B. No. 1713, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Inouye, Kim, Slom).

Stand. Com. Rep. No. 1536 (H.B. No. 1745, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1536 be adopted and H.B. No. 1745, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill.

"This bill would have eight specific requirements that the judiciary has at present, in terms of reporting, eliminated or excused so that in fact we would get even less information from the judiciary.

"The rationale for this is that many of the reporting requirements are outdated and provide little or no new information. If that's the case, then Mr. President, what we should do is make sure that we have current requirements and that the reports are in such a manner that they give us information.

"I had talked in an earlier bill about the judiciary coming before the Legislature and not giving us information – for example, on victims compensation funds, payments that were made, and also on collectibles and now we don't want to require them to do that. That would be fine if they were truly independent and they didn't need us for money or need the taxpayers, but in fact they do come here. So, if they're going to request for money, then we should continue to request that we get information that helps us in our decisions and deliberations as to whether or not they're entitled to the money.

“So, what this does is make the judiciary less accountable, and I think it’s less responsible. Thank you.”

Senators Kim, Espero and Fukunaga requested their votes be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1536 was adopted and H.B. No. 1745, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO REPORTS TO THE LEGISLATURE,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Hogue, Slom, Trimble).

Stand. Com. Rep. No. 1552 (H.B. No. 325, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1552 be adopted and H.B. No. 325, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senators Kim and Sakamoto requested their votes be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1552 was adopted and H.B. No. 325, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO EMPLOYMENT PRACTICES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 6 (Hemmings, Hogue, Ige, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1553 (H.B. No. 1318, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 1553 be adopted and H.B. No. 1318, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak in opposition to the measure as follows:

“Mr. President, I rise in opposition to H.B. No. 1318.

“Colleagues, if you compare the State of Hawaii with other states in terms of the number of sick leave days one can accumulate, we lead the list with 21. When the testifiers came before us and asked that we grant five days of leave for bone marrow donation and 30 days leave for organ donation, this fact was not mentioned. They mentioned the fact that there are 20 states that currently provide such leave. The federal government does, but I wanted to call your attention to the fact that our sick leave accumulation policy is 60 percent more generous than that of the federal government in the average of the 50 states in the United States.

“So, if we want to add this as one more, at least we ought to be able to cite one case where one donation was not made because our sick leave policy was inadequate. Until this is done, I don’t think it is appropriate to pass this measure.

“Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1553 was adopted and H.B. No. 1318, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Ige, Slom, Trimble).

Stand. Com. Rep. No. 1554 (H.B. No. 1528, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1554 was adopted and H.B. No. 1528, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hogue, Trimble).

Stand. Com. Rep. No. 1555 (H.B. No. 1548, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1555 was adopted and H.B. No. 1548, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Hogue, Slom, Trimble).

Stand. Com. Rep. No. 1562 (H.B. No. 1614, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1562 was adopted and H.B. No. 1614, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO CIVIL SERVICE PERSONNEL,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Hogue, Slom, Trimble).

Stand. Com. Rep. No. 1563 (H.B. No. 1758, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1563 was adopted and H.B. No. 1758, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO UNEMPLOYMENT BENEFITS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Slom, Trimble).

Stand. Com. Rep. No. 1566 (H.B. No. 1476, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1566 was adopted and H.B. No. 1476, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO NORTH KOHALA,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 1569 (H.B. No. 1309, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1569 be adopted and H.B. No. 1309, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Slom rose to speak in opposition to the measure as follows:

“Mr. President, I rise in opposition to this bill.

“Well, how many times do I have to talk about this? It started off people were talking about this as being home rule – just simply giving the counties the right to institute a tax if they

wanted to. This bill has nothing to do with home rule because first of all it's not autonomy for the counties. Secondly, the bill is very specific that the City and County of Honolulu must – must – use its increase for rail transit or mass transit and to meet requirements of the ADA, whereas the neighbor counties if they pass resolutions they do have the right to use their money for other transportation options, including bikeways, roadways, streets, highways, transportation, transit, and other things. So it has nothing to do with home rule.

“Secondly, it really has nothing to do with transportation because the title of the bill is ‘related to taxation,’ not transportation, and it forces an increase. Certainly the Senate has changed its position. Originally it was supporting a full 1 percent increase. Now it's down to one-half percent, which is still a 12½ percent increase of the general excise gross income tax. But what it does is it forces the taxpayers to, if adopted, support a program of a train that's going nowhere. There's no plan. There are no roots. There's no schedule. There's no technology. There's nothing at all, but we're in a rush to pass a tax increase.

“There have been people on the outside that have said that a half percent is not enough anyway. They want the full percent. So when we go into Conference Committee, I doubt that we have very much leverage or bargaining power.

“In addition, there is a sunset clause in the bill which normally would be a good thing, but the proponents of rail transit have said that basically the federal government doesn't want any kind of sunset and/or any kind of limitation. What they want is pure and simple – a dedicated, permanent, lifelong tax increase. And that, Mr. President, is where we are right now. A tax increase for something that has been non-defined that we don't know anything about.

“This is not about solving transportation problems because yes we have massive transportation problems. We want to solve problems not only on the Leeward Coast on Oahu, but also the problems that the neighbor islands have because they have fewer options. But this is not the way to do it.

“And in addition to this, this is really a squirrely way at a tax increase then everybody can say, well, we didn't do it, they did it. We just provided the ability for them to raise the taxes. And there's not even a guarantee that the city council, when the rubber meets the road, will actually vote to increase taxes, but what we're doing is, instead of looking for real solutions or talking about options and alternatives, which have been discussed in this Body and in the community for years, we are only simply again talking about increasing taxes. And it would be bad enough if this were the only tax increase the Legislature is considering this year, but there are other taxes, other tax increases that we're considering as well.

“So, for these and other reasons, I urge my colleagues to vote ‘no.’ Thank you.”

Senator Taniguchi rose and said:

“Mr. President, I rise to speak in favor of this measure.

“Mr. President, since the previous speaker's comments were rather squirrely, I will have my comments inserted into the Journal.”

The Chair having so ordered, Senator Taniguchi's remarks read as follows:

“Mr. President, I rise to speak in favor of this measure.

“In an effort to support the building of a light rail system for the residents of Oahu and to help alleviate the traffic problems that are growing on the neighbor islands, I urge my colleagues to support H.B. No. 1309. H.B. No. 1309 provides the counties with an optional funding mechanism to help solve their traffic problems. For the City and County of Honolulu, the GET surcharge authorized in this measure will be one of the financial options it could use to build a rail system that will help move people around the island and provide a better quality of life for Oahu's residents.

“While many may support the idea of a light rail system, the Senate has concerns about the unknowns in the City's plan. Without knowing what the cost of the project will be, how the money will be managed, and the amount of a federal match, it is difficult for this Legislature to ask taxpayers to shoulder the burden of a full 1 percent increase in the general excise tax. Therefore, H.B. No. 1309 has been amended to address some of these issues by reducing the maximum surcharge allowed on the GET to ½ percent, clarifying the use of the revenue from this surcharge and linking it to the commitment of federal dollars. In addition, we have provided a tax credit to address the regressivity of the GET to help offset the cost of the surcharge for residents. A 10-year sunset clause is included in the bill to ensure that there is the opportunity to evaluate the progress and management of the surcharge revenue.

“As with many bills today, this bill is a work-in-progress that addresses one in a handful of funding options for a mass transit system.

“The measure should go on to Conference Committee to work out the details. Both the House and the Senate should continue to work together to provide the City and County of Honolulu with the tools it needs to alleviate the traffic problems on Oahu.

“Those on the other islands will benefit from this bill by having the opportunity to look at their own unique issues with traffic and have a funding provision in place to finance any solutions they seek to implement. What works on Oahu is certainly not what is needed on Maui or Kauai, while the Big Island has needs of its own. All the counties should be given the resources to deal with their traffic issues and ease the congestion that frustrates us all.

“I urge all Senators to support H.B. No. 1309.”

Senators Hanabusa and Ige requested their votes be cast “aye, with reservations,” and the Chair so ordered.

Senator Menor rose and said:

“Mr. President, I'll be voting with reservations.”

Senator Ihara rose in support of the measure with reservations and said:

“Mr. President, I rise in support of this measure with reservations.

“Mr. President, my concern on this bill has to do with what I believe is a lack of an adequate process for Honolulu County to reach the best consensus possible in favor of building and funding a fixed rail rapid transit system. I concede that my concerns may be addressed voluntarily by leaders of the City and County of Honolulu, but I am not optimistic and would prefer a more extensive public deliberation process required in this bill.

"Mr. President, there is the issue of getting consent of the governed for the tax increase and also on whether expectations are realistic that a rail system will significantly reduce traffic congestion. But I want to point out another issue that may underlie the project – and that is the reality that the rail system will be elevated virtually throughout its entire route. I believe that unless our community can accept this elevated, what I would call a 'physical symbol' that will transform our collective identity into a modern urban city, perhaps identifying closer than we would want to the mainland cities like LA and so forth, the project may not resonate as to what's truly needed on Oahu.

"For most of us, when we return home each night, we don't feel like we live in a city like LA or San Francisco or Chicago, but probably more like cities that are comparable in size like Dayton, Ohio; Fresno, California; Birmingham, Alabama; or Tucson, Arizona. Somehow, on Oahu we still feel like we're not urban dwellers, for most of us. Whether we live in Palolo, Manoa, Aiea, Pearl City, or Waipahu, for the most part, it still feels like we're living away from the big city and far enough to be comfortable in the suburbs. But by constructing a permanent, long, elevated rapid transit line aboveground from perhaps Waipahu to Waikiki, we will have to confront the idea that our beautiful island of Oahu will be changed forever.

"The natural environment of our islands is so much a part of our collective identity that we're in for a rude awakening. Mr. President, unless this change in our community self-identity is addressed, I believe there will be a nagging resistance to an elevated rail system of Oahu.

"In the end, I'd like Oahu residents to make a choice about whether we want a rail system to reduce congestion and whether it is worth paying more in taxes. But unless the underlying social identity issue is addressed, the tax increase and an inefficient transit system may be only superficial reasons that a significant part of our community may hold on to longer than we would want.

"Thank you, Mr. President."

Senator Espero rose in support of the measure as follows:

"Mr. President, I'd like to rise in support of this measure.

"It's been mentioned that this has nothing to do with transportation, it just has to do with taxation. This has everything to do with transportation, Mr. President. In 50 years or 100 years we're going to try to determine what type of transportation we're going to be using. A hundred years ago they were walking, using mules, horses, whatever the case may be. We're going to try to come up with a plan that our grandchildren, their grandchildren will be able to use. Will we build more roads? Will we have more vehicles? At OMPO they mentioned that in 25 years we might have an extra 250,000 people living on this island, and with those 250,000 they're going to be bringing more cars. We really can't afford to have more cars on the road and more roadways.

"The opponents of rail suggest that maybe we should just double-deck H-1, build some tolls, and that will take care of the problem, but it will not, Mr. President. This has been an issue that we've been trying to solve for the last 25 years plus. And to date, there is not a solution in sight. For those of us that live in West Oahu and Central Oahu, we see it getting worse year after year. And for those people that are lucky enough to live in urban Honolulu, it's good for them, but this island is always changing.

"There were comments on what do we want this place to look like? This island changed when the first airplane landed.

This island changed when the first hotel was erected. This island changed when H-1 was built. This island changed when there was determination that we are going to become part of the United States of America. And it's going to continually change, but we need to take this issue, move it forward, and continue discussing it.

"Yes, we don't have the plan from A to B, everything in place. That would be too perfect. But there are studies, people with experience that have been looking at this issue, and we need to come up with a plan that at the very least will stop the traffic from getting worse and provide a quick, efficient system for our residents that will not be susceptible to flat tires, to accidents, to bad weather, to debris on the roadway. We need an efficient system and then we need to educate our keiki that this is a system that may one day take you to East Honolulu, Mililani, or North Shore, if we're so brave and have the will to do it.

"Right now, by doing nothing and just saying, well, let's build a toll road . . . I remember, I think Mr. Slater, one of the major opponents of this rail suggested at a Committee meeting that we look at toll roads. All that's going to do is allow maybe the people who are working, people who are rich to use that. What about the low-income people? I did some equations, some calculations myself. If I were to use a toll road every day, it would cost me \$960 if it were \$4 roundtrip, and that's a conservative figure. They say this 1 percent tax will increase a family of four by \$900.

"So there's a lot of numbers and ways we can look at this but we need to move this forward, Mr. President, because it's not a 5-year, 10-year, 15-year plan. It is a 100-year plan. The New York City subway has been there for over 100 years, and if we want to be a great city like many of the other great cities in this world, we definitely have to look at our transportation infrastructure.

"Thank you, Mr. President."

Senator Hemmings rose to speak against the measure and said:

"Mr. President, I rise to speak against this legislation.

"Mr. President, I was born in Honolulu, Hawaii. The last thing in the world I want to be is a city like New York City.

"In regards to the fixed toll-way, yes, the people using it may pay \$900 per family per year, but that's better than everybody on this island paying the same price for something that most of us will never use.

"Number two is, the previous speaker invoked the class-envy issue that the wealthy people will be able to pay for it. Well, there's nothing that says the toll road cannot be used for mass transit busses to take larger numbers of people on the elevated toll-way. If we really want to help solve the problem and get people out of their cars in a system that's much more flexible, an elevated toll-way would allow busses to get on it to bring a large number of people to town. But the genius in it is that the people can stay on the bus and go to their specific locations without having to get off a train and then get on another government funded monopoly system like a bus, which we already have.

"I want to remind the previous speaker and the others that our wonderful bus system on Oahu that gets lauded so much here in Honolulu does cost the taxpayers another additional \$120 million-plus per year in subsidies, because the fare only accounts for about 27 percent of the cost. What we also learned

from this monopoly bus system is that the minute there's a strike, we're stuck without transportation.

"So, the flexibility of an elevated toll-way makes eminent sense for many reasons and it also most especially could be used for mass transit such as busses, moving people from the Leeward plane of Oahu into the city and then getting off of it and having the flexibility to take them right to their doorstep.

"So, for these reasons, I'm voting against this authorization for a fixed guideway mass transit system. Thank you, Mr. President."

Senator Hooser rose in support of the measure and stated:

"Mr. President, I rise in support of this measure.

"Mr. President, I think this is a well thought out, but not complete, measure that will take more work to make it just right. Nevertheless, I support the measure. I support its focus on mass transit. It's keyed to certain deadlines. It's keyed to the matching federal funds. It's keyed to the action of the City and County of Honolulu. The federal government is not going to approve matching funds, Mr. President, if there isn't a plan that convinces them that it's well thought out.

"I agree that design is certainly important. I believe that the character of our community is important, and I'm hopeful that the ultimate design will be what this community deserves.

"Mr. President, I think people in the Chambers here forget that highways cost money. Highways are probably the biggest government subsidized infrastructure we have in the state right now. Many of us pay for highways that we don't use. People that don't drive pay for highways. People that ride the bus pay for highways. People that are blind and can't drive pay for the highways. The federal government pays for them. People in Minnesota, I believe, pay for our highways.

"Cars are very expensive, Mr. President. The average family pays something like \$6,000 a year just to operate their cars, with insurance, depreciation, gas and what not. People in our community are slaves to their cars, and we need to break that chain. Unless we offer them an option, Mr. President and colleagues, we will continue to be building more roads, buying more cars, burning up more oil, polluting our air even more, finding more places to dump our tires, more places to dump our batteries. We will continue incurring tangential costs to dispose of batteries, and cars, and tires. We will continue to increase environmental problems with asphalt, and runoff, and pollution.

"There are many, many costs. There's a cost for doing nothing, a bigger cost, perhaps, than the \$900 a year that our highest spending residents will pay if this measure passes. For those reasons – and for many others – I support this measure.

"Thank you."

Senator Ige requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1569 was adopted and H.B. No. 1309, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 6 (Hemmings, Hogue, Slom, Trimble, Tsutsui, Whalen).

Stand. Com. Rep. No. 1571 (H.B. No. 1645, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1571 be adopted and H.B. No. 1645, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill.

"This is a continuation of the bill, really, that we just heard, only it makes it even worse because now with this bill, we're going to shift everything from the highway fund, which the previous speaker was correct – highways cost money. We pay fuel taxes for the highways and then we find that the highway funds are being used for other purposes. And now here's a new purpose – to use the highway funds for a mass transit special fund.

"In addition to that, we are going to add yet another new tax – an ad valorem tax on motor vehicles based on the weight of the vehicle. That, in itself, is not unique because several states already use an ad valorem tax. What is unique is this will be on top of the weight taxes, state and county, that we already pay. So it's not a separate tax; it's not an alternative tax; it is yet another tax on top of this.

"It also allows the counties to raise their fuel taxes. We heard testimony earlier this morning that we already have the highest fuel taxes in the nation. If we really want to help people, if we want to lower the cost of gasoline, lower the cost of maintaining that car every year, we could lower our fuel tax. But no, what are we doing? We're now proposing that we raise the fuel taxes.

"So, all of this in a blind drive for, as I said before, a train that goes nowhere. And it's interesting that even the proponents of this admit and acknowledge that a large segment of this population has said consistently for 10, 15, 20, 30 years that they don't want this project even if it could be defined, but they certainly don't want a project that is not defined at all.

"As the Chairman of Ways and Means had said before, we should go by a blind leap of faith. I, myself, cannot make that leap and I don't want to make that leap for other people. Let them leap if they want or stay on the narrow of land. In any event, that's all we're doing is raising taxes here, so all the platitudes about transportation solutions, we're not looking at them. And by the way, there have been many more solutions offered by Mr. Slater, Mr. Prevedouros at the University of Hawaii, and others, other than just toll roads. We're seeing some of the things that are being done right now by the Department of Transportation and other ideas are coming out.

"We're not listening to the people. We're trying to force a rail transit down the throats of individuals when every study across the country shows that the ridership in rail transit, mass transit is steadily declining and the cost of operation, of maintenance are steadily increasing. And I have yet to have one of my colleagues in this Body or in this big square building say, 'yeah, I want the rail transit because I'm going to give up my car.' What I hear them say is, 'no' – they want other people to give up their cars so that there's more room on the freeway for them, because 'we're Legislators and we're important, and we have things to do, places to go, people to see.'

"So, until I'm really convinced and I see, number one, a plan, any plan; and number two, a majority of people that say yes we are willing to be taxed on our vehicles, more tax on our fuel, more tax on every purchase and every service we make – until I

see that, Mr. President, I will continue to strenuously oppose this misuse of tax money.

“Thank you.”

Senator Taniguchi rose in support of the measure and said:

“Mr. President, I rise to speak in favor of this measure.

“Mr. President, the intent of H.B. No. 1645, as received by the Ways and Means Committee, was to provide optional interim planning money to the City and County of Honolulu for a mass transit system. After discussion, however, your Committee on Ways and Means amended the bill to make these monies, roughly \$3.6 million, available to the city only if city and federal funds have been exhausted. I believe we had some news that the city had received roughly \$10 million in planning money, but we weren’t clear about that at the time we did this bill.

“Your Committee also amended the measure to provide two other funding options for the city and county to construct and operate a mass transit system. In particular, it makes provisions to allow the city to implement an ad valorem vehicle tax – a non-regressive tax that will have the least impact on those in the lower income brackets. It also clarifies that the county may raise its portion of the fuel tax for the purposes of funding, operating, and construction costs of a mass transit system.

“These provisions do not – I repeat, do not – force the county to raise the aforementioned taxes. It merely gives the City and County of Honolulu options in structuring their funding for the planning of the mass transit system.

“In tandem with the provisions found in H.B. No. 1309, which we just voted on, I believe the new provisions found in H.B. No. 1645 will provide your Conference Committee with several avenues to continue discussions on mass transit funding with the city.

“I urge my colleagues to support this measure. Thank you.”

Senator Espero rose to speak in support of the measure as follows:

“Mr. President, I’d like to rise in support of this measure.

“I’d like to say that if a rail system is ever built in our time, I will give up my car – not five days a week, Mr. President, but I definitely will not use it five days a week to come into work. There will be times when I will need a vehicle like most of us in here. I have ridden rail systems in other cities. They are very efficient, clean, fast, and I will be one to say that I will give up my vehicle.

“The irony of all this is that if we had built a transit system in 1992, we’d have a system in place today. Our political leaders were not able to make those important decisions and I believe that the residents of Oahu have suffered since then. If that decision had been made back then, we’d be able to take it from Kapolei to downtown today, possibly UH, and this discussion may be on putting a spur to East Honolulu or Mililani. But I don’t want to look back on my career and say, ‘gosh, I wish we really did it and we really tried hard.’

“This measure, this issue of transportation, Mr. President, is so important for our State and for Oahu. It only makes common sense that we move this measure out and continue the dialog and discussion.

“Thank you, Mr. President.”

Senator Trimble rose to speak in opposition to the measure and stated:

“Mr. President, I rise in opposition to this measure.

“I just want to note for the record that I, too, have rode mass transit systems on the mainland and in Europe, and I’ve already given up my automobile more than three days a week. So, you don’t have to have a rail transit system to give up your car.

“Thank you, Mr. President.”

Senator Hooser rose to support the measure and said:

“Mr. President, I rise in support of this measure.

“Mr. President, I spoke in support of the prior measure and I like this one even better. This measure is terrific, and I want to complement the Chair and all the people who put this one forward. This is so great. You know why? Because it ties directly to the people using their cars, the cost of public transportation, the cost of mass transit.

“If you’re not part of the problem – if you’re not driving your car or creating that traffic – you don’t have to pay. That’s the direct nexus to mass transit, public transportation.

“I think it’s forward thinking. It allows us to use highway funds for transit. I think that’s a great move. It just allows us to do it. It doesn’t make us do it in the counties. It gives the counties the right to this ad valorem tax. It provides tools for mass transit.

“And Mr. President, oftentimes in this room there are facts quoted and I think some of my colleagues tend to be stuck in research that is 20 years or older. The fact is, Mr. President, since 1995, national transit ridership has increased six out of seven years and overall national transit ridership has increased 21 percent. It’s not declining; it’s not flat; it’s growing nationally. In 1999 and 2000, the growth in trips in transit actually increased more than the growth in trips by automobile travel. Ridership increases have been even greater in cities that add light rail. It’s not stagnant; it’s not falling; it’s growing. Almost every city that developed light rail systems over the past 30 years are now expanding those systems. This year, new urban rails will open in Minneapolis, Las Vegas, Houston, San Juan and many other places. The truth is that people are increasing their use of mass transit and it’s not decreasing.

“This is a good bill and I urge my colleagues to support it. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1571 was adopted and H.B. No. 1645, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO MASS TRANSIT,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1572 (H.B. No. 128, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1572 be adopted and H.B. No. 128, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to oppose the measure and said:

“Mr. President, I rise in opposition to this bill.

"This is very troubling for me because I certainly support local Hawaiian beach boy services. I think the services are unique. I'm a little troubled, though, with the history of this particular measure and what is behind it. The idea that, for example, the primary beneficiaries of this bill still owe money to the City and County of Honolulu for beach services there. I'm troubled because of recent investigations that have shown large amounts of cash money that have allegedly been transferred for various kinds of beach services and have not been reported and not been collected. I'm troubled also because this bill would remove the requirement for open bidding and discussion of leases for this activity.

"While it is true that all of us can enjoy as a unique cultural heritage what beach boys have done, I think that for those of us that reminisce in the past, the past traditions may not square with what the realities are of today. The financial aspects of this bill, the one-sided nature of this bill, the lack of transparency of this bill should be troubling to more of my colleagues than just myself, and just because we put good words that say that this will perpetuate a tradition does not in fact make it so.

"There has not been very much discussion about the bill. It has not undergone scrutiny. But as I say, the far most troubling aspect of it is that we are again going to shut off an activity that should be open to public investigation and public acknowledgement in terms of contracts and agreements that are made.

"So, reluctantly, I'm forced to vote against this bill. Thank you."

Senator Kokubun rose in support of the measure and stated:

"Mr. President, I rise in support of this measure.

"Mr. President, with respect to this particular bill, actually this was the subject of a very heated and very long public hearing before the Committee on Water, Land, and Agriculture. So, there was much input, and I think what the Committee has tried to do in this situation is to provide a level playing field for a number of different organizations to participate in providing these services to the public and to the residents of Hawaii.

"True, I think there is some background that needs to be looked at in more detail, but the idea was again to provide the opportunity for more than one concessionaire to be provided an opportunity to operate along this area that we have geographically defined from Kaimana Beach to the Ala Wai Boat Harbor.

"So, rather than say that this is specifically for one group and rather than say this is not going to be subject to public scrutiny, I think the exact opposite is true. This is going to be a situation where the public record will be open for the Department of Land and Natural Resources to share with anyone who wants to come in and examine their process for approving concessions.

"Thank you, Mr. President."

Senator Ihara rose to speak in support of the measure with reservations and said:

"Mr. President, I rise in support of this bill with reservations.

"Mr. President, my reservations on this bill is because it specifically allows beach boy concessions on beaches from Kapahulu going in the Koko Head direction toward Kaimana Beach. I believe inclusion of these areas in this bill is

inappropriate and ill advised for three reasons: (1) these beaches front the ecologically sensitive Waikiki Marine Life Conservation District; (2) Kaimana Beach is under a beach reclamation restriction on commercial activity; and (3) most of these areas are included in the Kapiolani Park Trust that prohibits commercial activity within trust lands.

"Thank you."

Senators Hanabusa, Kim, Trimble and Ige requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1572 was adopted and H.B. No. 128, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Slom). Excused, 1 (Hee).

Stand. Com. Rep. No. 1581 (H.B. No. 1641, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1581 was adopted and H.B. No. 1641, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO NON-AGRICULTURAL PARK LANDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Slom, Trimble). Excused, 1 (Hee).

Stand. Com. Rep. No. 1584 (H.B. No. 422, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1584 be adopted and H.B. No. 422, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to H.B. No. 422.

"If the issue were a question of public health and safety, then the title of the bill would relate to discharge of waste and it would relate to those set of circumstances in which the most threat to public health and safety existed – and that is discharge on land, not saltwater – and it would apply to the public sector as well as the private sector. But this bill singles out a single segment, which is the cruise industry, and applies a unique set of standards only to them.

"For that reason, I'll be voting against this measure. Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1584 was adopted and H.B. No. 422, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CRUISE SHIPS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 2 (Hemmings, Trimble). Excused, 2 (Hanabusa, Slom).

Stand. Com. Rep. No. 1585 (H.B. No. 244, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1585 was adopted and H.B. No. 244, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 2 (Hogue, Slom). Excused, 2 (English, Hanabusa).

Stand. Com. Rep. No. 1587 (H.B. No. 875, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1587 be adopted and H.B. No. 875, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to support the measure and stated:

“Mr. President, I rise in support of this bill, but I’m very troubled by this bill.

“I, like many of my colleagues, have continued to support the substitute teachers throughout this Legislative Session knowing full well that they got a bad deal. They were lied to by the Department of Education. The Department of Education broke a number of promises with them. And now they come to the Legislature to ask us to extend the statute of limitations from two years to six years and to provide them with salary increases. And because they brought their actions in a legal manner against the Department of Education, this bill also provides funds to the DOE to defend itself from the very lawsuits that it created by lying to the substitute teachers.

“I’m voting for this bill to give the substitute teachers what they deserve, but what I would like to see amended in this bill is that we take money away from the Department of Education, make them stand to jerk from the lawsuits that they created, and make sure that in the future if they break more promises and lie to their own employees as well as to the taxpayers and the public, they pay and not the taxpayers.

“Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1587 was adopted and H.B. No. 875, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO GOVERNMENT,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1588 (H.B. No. 1590, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1588 was adopted and H.B. No. 1590, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO THE HAWAII FILM AND DIGITAL MEDIA INDUSTRY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

Stand. Com. Rep. No. 1591 (H.B. No. 1308, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1591 be adopted and H.B. No. 1308, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose to speak in opposition to the measure and said:

“Mr. President, I rise in opposition to this bill.

“Remember a little while ago I was telling you about all the tax increases that we’re voting on today, the increased burden that we’re placing on the taxpayers of our State, the lowered

standard of living that we are subjecting them to, well, this is another one of those bills.

“It has a feel good section. We’re going to buy lands. The state is going to go more into the real estate business and buy and protect various lands, some of which are unidentified. And how are we going to do it? We’re going to do it by increasing the conveyance tax, which is supposed to be a tax that meets the cost of recording your mortgage, your deed, your rental property or something else. We already have other forums and agencies that are using the conveyance tax – housing, low income, other people.

“It was supposed to be simply a fee that matched the cost of providing this recordation service, then it was to increase their computer use, now it’s for housing, then it’s for land purchases. My God, somehow I’m sure the proponents will get this for the rail tax increase as well. They can add conveyance tax to the fuel tax, to the ad valorem tax, and to the body tax.

So, I’m voting ‘no,’ Mr. President. Thank you.”

Senator Kokubun rose in support of the measure and said:

“Mr. President, I rise in support of the measure.

“Mr. President, I don’t think there’s another bill that’s more significant for us to consider this Session. This bill will establish a legacy lands program for the State of Hawaii. There’s no doubt in anyone’s mind that there are significant lands across the state that need to be protected and preserved for the future of Hawaii and for the enjoyment and the educational needs of the future generations for Hawaii.

“It’s very true, as the previous speaker, the Senator from Hawaii Kai, has pointed out that the vehicle, the means to finance this program, will come from an increase to the conveyance tax. However, I want to also keep in mind that this is a sliding scale applied to the conveyance tax and in fact it will be those homes that are costing as much as \$500,000 and over that will be paying the increase. The way the conveyance tax proposed is developed at this point in time, anything below the \$500,000 level will continue to just pay the existing rate.

“Mr. President, I think it’s very, very important to keep in mind that there’s a direct nexus between the payment of conveyance taxes to what we’re trying to do here in terms of preserving lands for future generations. There’s no doubt in my mind this is a very, very important bill and I would ask my colleagues to support it.

“Thank you.”

Senator Sakamoto rose to support the measure as follows:

“Mr. President, I rise in support of the measure.

“Mr. President, although we’ve been making new land on the Big Island bubbling into the ocean, there is no question that of the resources we have, land is a precious resource. As we transact business on this island, Mr. President, one can say we shouldn’t tax. There’s 20 percent of the people in this state, including perhaps the Senator from Hawaii Kai, who would say any tax is a bad tax no matter what the use. So, you need to set aside those people who speak against, vote against any tax for whatever reason, because in their mind, there is no good tax.

“But I agree with the Senator from the Big Island that this is a very important bill. How do we preserve precious parts of our aina unless we’re willing to balance the cost of doing so with measures such as this to raise the tax, to have a bar at a certain

point to say we need to do what some others don't want to do. But we need to do it if we expect our Hawaii to be a place that we, our children, our children's children, should we have children and they have children, we want them to say thank you for preserving our Hawaii, our aina."

Senator Trimble rose on a point of information and said:

"Mr. President, I have a point of information.

"I was just curious about what percent of the land . . ."

The President interjected:

"Are you directing your question to the Chair?"

Senator Trimble answered:

"The question is, how much land of that which exists in Hawaii is owned by the government?"

The President posed the question and Senator Kokubun answered:

"Mr. President, I'm not able to provide that figure at this point in time, but I'd be happy to do that if the good Senator from Waikiki requests that information."

Senator Trimble rose and said:

"Thank you."

Senator Slom rose in rebuttal and said:

"Mr. President, Mr. President, brief rebuttal.

"I'm cut to the quick that the good Senator from Moanalua/Salt Lake would say that I would never support a tax. Mr. President, there are some taxes that are necessary to operate the government for the lawful purposes of the government. However, we've gone so far beyond that, Mr. President. We now want a tax for everything and we want to tax everybody and everything – if it moves, we tax it; if it doesn't, we regulate it. You know, that's what we do.

"So yeah, there are some taxes that are legitimate. But whenever it comes to increasing a tax or adding a new tax, I want to know what it's for, and I want to know if we can afford it, and I want to know where it comes in the line of priority. Sure it would be nice to buy additional lands. One of the properties that is being talked about in legacy lands is the farmland in Hawaii Kai and we would love to see that preserved and kept an open space.

"But it is a legitimate question – how much land the government already owns and how much can we afford to buy, and to save, and to preserve. There are in fact private foundations, there are in fact private groups that operate within our own state. They use their own money. They buy and preserve land. They buy it and use it for specific purposes. That's fine.

"And to the extent that we had unlimited resources and we could do everything we want – take care of all the little keiki, and take care of all us older people, and take care of all the people in between, and provide every service there is without any priorities – then that's fine, then we could use this. But what I'm saying is, the idea of continuing to raise taxes on everybody and everything and then going out with a shopping list to buy this, preserve that, save that, we've got to have a priority because that's what the families that you're taxing have

to do. There are many things that they would like to do for themselves, for their family, for their keiki and they can't do it because we take the money away from them first and we say we know better.

"And by the way, for my good friend from the Big Island, let me just update you a little bit – the median price of a single family home in Hawaii is now over \$550,000; on Maui it's \$600,000. So, anything below that, I guess we're talking about slum housing. They wouldn't be affected by the tax increase.

"But let's get real – one of the drivers, the cost drivers of housing and land and everything else are the taxes and the impact fees and all of the things that we do in here in the comfort of this nice cushioned, air-conditioned room. We've got to look to the future, Mr. President, and we've got to look at where the money comes from.

"And just as I was talking about mass transit, I don't see too many of my colleagues that line up in the front of the room and reach in their own pockets. They're reaching in the pockets of other families and other people and it's got to stop.

"So, any of those tax increases, you bet I will fight every one of them. If it's a question of providing for services that government is supposed to provide for – federal, state or local – then that's one of the things that we have to bear. But we're adding far too much to that list and this is just one item. And that's why I voted 'no.'

"Thank you."

Senator Hooser rose to support the measure as follows:

"Mr. President, I rise in support of this bill.

"I'd like to start, Mr. President, by saying I would gladly reach into the pocket of these million dollar homeowners if I thought it would help a child or help preserve our environment, preserve open space, help older people, those in poverty. I would gladly, gladly do that because I think they owe more than everybody else. I think we each pay what we can, but I think those in the very higher income levels deserve to pay more, and I don't have a problem asking them to do so.

"A similar concept was approved overwhelmingly by the voters of Maui County and Kauai County in terms of dedicating public funds to purchase open space, park lands, public access and those types of things – overwhelmingly by charter amendment on Kauai County and Maui also.

"Even with the increase that we talked about in prior Sessions, Hawaii would still pay one of the lowest conveyance taxes in the nation. So, it's a relatively small amount of money for a very good purpose and I would be remiss if I did not add that this will also increase funds for the rental housing trust fund and other good purposes.

"So, for those reasons and others, I urge my colleagues to stand in support."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1591 was adopted and H.B. No. 1308, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LAND CONSERVATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1593 (H.B. No. 109, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 1593 was adopted and H.B. No. 109, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LAND USE COMMISSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1596 (H.B. No. 140, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1596 was adopted and H.B. No. 140, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1597 (H.B. No. 1146, H.D. 1, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 1597 be adopted and H.B. No. 1146, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Trimble rose in opposition to the measure and said:

"Mr. President, I rise in opposition to H.B. No. 1146.

"Colleagues, this is employee classification by fiat. If we do it here, essentially we're saying we really don't need the Department of Human Resources; we can do it ourselves. I think this is micro management of the worst sort and I will be voting against this measure.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1597 was adopted and H.B. No. 1146, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 2 (Menor, Taniguchi).

Stand. Com. Rep. No. 1599 (H.B. No. 429, H.D. 1, S.D. 1):

On motion by Senator Tsutsui, seconded by Senator English and carried, Stand. Com. Rep. No. 1599 was adopted and H.B. No. 429, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EXPENSES OF THE 2005 NATIONAL ASSOCIATION OF COUNTIES ANNUAL CONFERENCE AND EXPOSITION IN HONOLULU," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Menor, Taniguchi).

Stand. Com. Rep. No. 1604 (H.B. No. 332, H.D. 1, S.D. 2):

Senator Menor moved that Stand. Com. Rep. No. 1604 be adopted and H.B. No. 332, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Baker.

Senator Hogue rose in opposition to the measure as follows:

"Mr. President, I rise in opposition.

"Mr. President, what this has to do with is labeling or signage of bread that has been previously frozen and I should note that there were I believe just two supportive testimonies. There were hundreds of oppositional testimony and yet for some reason the Committee decided to go forward and come up with what I call a 'kumbaya' bill, which is a compromise measure with a defective date for a problem that really doesn't exist.

"I think most of us agree that we take our bread and we go home. Some of us put it in a bread box, some of us put it in the freezer and then we use it. What this compromise measure is doing is it is saying that any previously frozen bread, once it hits the stores there will have to be signage out there in that particular store indicating that that bread has been previously frozen.

"It appears to add another layer of regulation, this time on the food industry, and in my mind it can lead to . . . we'll just have signs all over the place indicating how food products have been handled prior to their sale to the public.

"So, this bill is unnecessary because it was never shown – it was never shown – in the testimony that there's a problem. There's no problem with previously frozen bread. We all go home and we freeze our bread and then we eat it once it thaws out. There is not a problem. This is not like previously frozen meat that is thawed out and then it's re-thawed and then it's thawed out and there might be somebody with salmonella or something. There is no problem here.

"This bill is an obvious effort to protect the largest maker of baked goods here locally. That's exactly what's going on here. So this is unnecessary and I would hope that we would vote it down.

"Thank you."

Senator Slom rose in opposition as follows:

"Mr. President, I rise on opposition to this bill, too.

"Mr. President, give us our daily bread. (Laughter.) It's amazing, as the good Senator from Kaneohe said, here is another one of those bills to address a problem that does not exist unless it exists in some monopolist mind. But it's interesting that of the two organizations that testified against it, one was the teachers union. I wonder if that's because they're afraid of using frozen bread in the schools or if somehow that affects the pupil/teacher ratio or the learning curve or something else.

"How ridiculous this measure is and how ridiculous this makes us look! I mean, frozen bread. As the good Senator said, if we're talking about meat products or we're talking about seafood products or we're talking about something that really has a safety and consumer concern, we certainly can understand that. But this is bread, and it's not labeling. If it were just labeling, that would be one thing, but the reason that all of the other businesses testified against it is because it is an unwarranted cost and another added burden to doing business in this state.

"Thank you."

Senators Sakamoto and Tsutsui requested their votes be cast "aye, with reservations," and the Chair so ordered.

At 2:29 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:31 o'clock p.m.

Senator Baker rose in support of the measure and said:

"Mr. President, I rise in support of this measure and to provide some clarification for some of the members.

"When this measure was heard in the Health Committee, there was absolutely no opposition. By the time it moved to Consumer Protection, some of the distributors and wholesalers had grave concerns about labeling, saying that it was going to add to the cost. The measure went to a notice requirement, because most people simply don't know that most of the bread on the store shelves has been flash frozen and thawed, and it's really a matter of just informing the consumer that particular situation exists. The sign, as called for in this measure, is very small and would not be burdensome and had in fact been suggested as a way to handle this particular item from representatives of the food industry.

"So, we don't believe that the kind of opposition that our friends across the way noted, which was there before the bill was amended, still exists.

"Thank you, Mr. President."

Senator Trimble rose to oppose the measure and said:

"Mr. President, I rise in opposition to this measure.

"It's not a health issue. We have two federal agencies – the Food and Drug Administration and the US Department of Agriculture – that have a federal mandate to protect the quality and safety of our food products. Neither one of them see fit to regulate bread in this manner, and if the agency in charge of protecting our health and safety sees no problem with it, why should we.

"Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1604 was adopted and H.B. No. 332, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FROZEN FOOD PRODUCTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1605 (H.B. No. 1017, H.D. 3, S.D. 2):

On motion by Senator Menor, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 1605 was adopted and H.B. No. 1017, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SOLAR ENERGY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 1606 (H.B. No. 1051, H.D. 2, S.D. 2):

On motion by Senator Menor, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 1606 was adopted and H.B. No. 1051, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Hogue, Slom, Trimble).

Stand. Com. Rep. No. 1608 (H.B. No. 769, H.D. 3, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1608 was adopted and H.B. No. 769, H.D. 3, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1609 (H.B. No. 390, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1609 be adopted and H.B. No. 390, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose on a point of information and said:

"Mr. President, just a point of information, because I'm so confused by this bill since I'm not on the Committee.

"We had a \$2 surcharge, then we had a \$3 surcharge, then we were going to get rid of the \$2 surcharge, but I think we still have the \$3 surcharge. Can I find out what the surcharge is going to be and whether it has gone up or whether it stayed the same? Can I ask the Committee Chair?"

The President then said:

"Do you have a question to Senator Menor or Taniguchi?"

Senator Hee rose on a point of inquiry and said:

"Mr. President, point of inquiry – the Senator from Hawaii Kai cannot read English?"

Senator Slom rose to answer:

"Mr. President, I believe I can read English. I'm just confused by what the bill says, because when it was amended, it was going to appeal to those people that have their cars in for repair and were going to be exempt from the surcharge. But I read that the amendment that was made still keeps the \$3 surcharge when we had a \$2 surcharge.

"So, for the good Senator from Kahaluu and points west, I'm still trying to find out just exactly what the status of the bill is. I can read English, though. Thank you."

Senator Hee rose and said:

"Mr. President, might I offer to the previous speaker a plethora of teachers that he can see up in the gallery that would be more than happy to extend to him the courtesy of understanding English that he evidently can't read.

"Thank you."

Senator Slom responded:

"Mr. President, I just simply asked a question and I would appreciate an answer from either the Chair of Ways and Means or Commerce."

Senator Taniguchi replied:

"Mr. President, the Senator from Hawaii Kai is very confused. He is on the Ways and Means Committee, which voted on this bill, so when he said he's not on the Committee, I don't understand what he's saying.

"But with regard to the bill, all it does is it makes permanent the exemption for the repair of cars from the rental car charge. There is currently a \$3 charge that expires in 2007. That will remain the same."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1609 was adopted and H.B. No. 390, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Slom, Whalen).

Stand. Com. Rep. No. 1610 (H.B. No. 704, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1610 was adopted and H.B. No. 704, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1612 (H.B. No. 998, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1612 be adopted and H.B. No. 998, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition and said:

"Mr. President, I rise in opposition to this measure.

"I also would like to take exception to the Committee Report from Ways and Means which noted that the hotel tax credit that passed in 2001 was tremendously effective. I think that belies the question. If that were true, there would not have been Dr. James Mak who came down here two years ago and was paraded around to extol their benefits. Well, actually, there's probably no one in this room who remembers exactly what Dr. Mak said, but his testimony was used to suggest that if we did not pass a hotel tax credit to increase it, no construction would occur in hotels and resort areas in Hawaii. I remember that because I was the only one in this room that stood up and voted against the silly measure, which was later vetoed by the Governor.

"And in fact, in the two years that came after that, there are five projects currently under construction in Waikiki. So, number one, the measure was not needed. Number two, the tax credit in and of itself did not and does not generate, necessarily, more construction activity.

"The reason that increased construction activity occurred in Hawaii is that in 2002 we elected a Governor who showed that she was going to be fiscally conservative and the private sector responded on their own by investing in our future.

"This measure was not needed in 2003. It certainly is not needed in 2005, and if we were to pass this measure, all that would happen is it would be like adding gasoline to the fire in terms of the inflationary pressure that it would put on wages and increasing the cost of construction going forward.

"Colleagues, I urge you to use common sense and oppose and vote against this measure. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1612 was adopted and H.B. No. 998, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Hogue, Slom, Trimble).

Stand. Com. Rep. No. 1613 (H.B. No. 97, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1613 was adopted and H.B. No. 97, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

Stand. Com. Rep. No. 1615 (H.B. No. 931, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1615 be adopted and H.B. No. 931, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senators Trimble and Hanabusa requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1615 was adopted and H.B. No. 931, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1616 (H.B. No. 997, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 1616 was adopted and H.B. No. 997, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1619 (H.B. No. 1608, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1619 be adopted and H.B. No. 1608, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill.

"This is the perennial, it will never die, VEBA trust bill, which carves out a special section for one public employee union. It is also an attack on the EUTF, which of course has just been in operation for less than two years and which seems to be operating just fine. It is an example of cherry picking – trying to take only the best and healthiest individuals – and trying to get breaks in terms of premiums.

"Until and unless the legislative auditor reverses her position, which started the EUTF in the first place in saying that all public employee unions should be under one package, I will continue to oppose this measure.

"Thank you."

Senator Hanabusa rose in opposition to the measure and said:

"Mr. President, I rise in opposition to this measure.

"Mr. President, it comes as no surprise to you and my colleagues that I would be in opposition to this measure. I would like to say that I thought about it long and hard whether to voice my opposition publicly or to insert it into the record. I decided that this measure probably has the votes to proceed, and if it does proceed, then I would like the proponents to know what my opposition is because I think it goes to the integrity of this measure.

"First of all, Mr. President, as you know, in 1999 when Marion Higa wrote her report, that began the whole EUTF effort. At that time, there was major opposition to it and what has subsequently come about is various attempts to do versions of the VEBA Trust. There's no question that the teachers have had a form of the VEBA Trust from the very beginning, but there are various issues which still remain unresolved that were raised then.

"Let me first begin by making it very clear that the reason I was such a proponent of the EUTF was that the preservation of retiree benefits was my foremost concern. As a labor attorney and one who's negotiated many contracts, one of the saddest moments is when we have to go to the retirees, who sacrificed and built unions, and tell them that there is just no way that we can continue to cover their medical expenses. The State of Hawaii is no different, and that is why EUTF was created.

"One of the other issues that is silent in this bill is that in 2003 the Attorney General's Office, upon the request, actually, of the previous state health fund, began to look at the various individual union health funds. The VEBA Trust of the teachers at that time reported \$16 million in surplus. There is no mention in this measure as to what we're going to do about that. As you know, there still remains ongoing litigation as to the other health funds and where the monies have gone and what happened to them.

"As you may or may not know, Mr. President, the state law requires a return and that is why whenever there was a rebate, refund, premium holiday, or however you want to refer to it, by HMSA in the past, it resulted with the employers receiving 60 percent of that refund and the employees receiving 40 percent. The union trust funds, with the exception of SHOPO, did not do that. SHOPO was nice enough to refund its members but did not refund the City and County of Honolulu.

"So, there is out there this issue of \$16 million, and Mr. President, it may be more. That was my last report in 2003. How this plays into whether or not this pilot program will succeed, I think, is very critical, because \$16 million will help any program succeed if that is in there and it acts as the backdrop for it.

"Now, let's go to the basis of this bill itself and the concerns. First of all, Mr. President, the committee report states that this creates a 3-year pilot program for bargaining unit 5, which is of course the teachers. However, when you look at the bill itself, it refers to county contributions. There are no county contributions for the teachers. There are only state contributions. That's one issue, and that can be easily resolved.

But what is very troubling is the treatment of retirees. And as I stated earlier, retirees have always been a concern. They've gone back and forth in the generations of VEBA as to how you handle the retirees.

"This version of the bill on page 8 says that anyone who retires on or after July 1, 2005, shall be a member of the VEBA. Anyone who is retired prior to that time has the one-time option of remaining in the state health fund or transferring to VEBA. Now, where that becomes problematic is what all other collective bargaining agreements that deal in this area have had to deal with – and that is, who negotiates and what are their rights.

"It is well established in federal law, Mr. President, that retirees do not have representational benefits. If you look at this bill, what is lacking is the identification of a member to include retiree under Chapter 89. What that then of course means is that an existing union or employee organization has no obligation to negotiate for that retiree. What then does that mean? If you look at this bill, also on page 8, you will find that the reference to the amount of contribution to that retiree says it shall be no more than what is presently allowed in Chapter 87 and bargained for in the collective bargaining. Now, the question there becomes, Are you referring to what the retiree gets or are you referring to what a, quote, 'active' member gets? I read that to say it's referring to what an active member gets.

"If that is the case, because in the subsequent section on page 9 it says anyone who has retired already, will get no less than what they are presently entitled to receive under the EUTF. We come back again to the question, What are the rights of the retirees? And that is really not answered here because a collective bargaining representative, I contend, Mr. President, cannot bargain effectively for a retiree in a collective bargaining situation when they are not defined as an employee or member under Chapter 89. Chapter 89 has not been amended in this bill, and for that reason, there is no obligation to them. And that's what happens all the time.

"As you know, retirees are divided on this issue. All of a sudden, some of you may have received e-mails from them saying do not let the VEBA go; keep us in the EUTF. And there is another bunch that says exactly the opposite. And that is because it is a question – Who do they represent? Or alternatively, who will represent these retirees at the bargaining table? Or more importantly, who has that fiduciary obligation to represent them, and if they fail, what is the recourse? If you're not an employee and if you're not a member or covered under Chapter 89, you have no rights. You can't go to the Hawaii Labor Relations Board and allege a prohibitive practice. And I think that is what is a major omission in this bill.

"In addition to that, you have on page 10 of this bill the issue of if there's a termination. Mr. President, it's a wonderful situation that if at any time the VEBA fails, that anyone who opted to go into VEBA or has VEBA can come in with full benefits. It's not that we would be opposed to that, it's just that there is no downside. And whenever decisions such as this are made, there are downsides and someone has to suffer that consequence. In this situation, it's going to be the State of Hawaii.

"The other very troubling issue that we should all be asking ourselves is that retirees in our state system have been made promises. Yes, they may not be legally binding promises, but they have been made promises. Their promises have been that, one, they will be not paying premiums when they retire, and that's to make up for the 60/40 that they were told they were going to pay. The other thing is that we will try to maintain the level of their benefits. We may not be able to maintain all their,

quote, 'medical benefits' in terms of drug plans at exactly what it was when they joined the plan, but notwithstanding, we have made those kinds of promises.

"There's no mention of those promises in this bill because they can't be made. No labor organization is going to tie itself to that kind of promise without the ability to get refunded for that cost somewhere else. And the reason why VEBA is being touted is because they are saying that it will reduce the cost. The cost that they will reduce is the cost to the actives. Remember, when EUTF was created, it was created because of the inequities of porting. It was created to address all the rising costs and to share the risk among all people who are either employees or former employees of the state.

"So, when you look at a bill like this, Mr. President, we have to look at what is the true intent and who's going to suffer from the bill. And like I said earlier, when EUTF was done, it was to ensure that we could keep our promises to those employees who worked at minimal types of wages in the old days for the promise that the one benefit of being a state employee is that you would have healthcare like no one else does, which I believe we've managed to keep.

"So as we move on to this situation, and yes, they say, 'well, you know, you don't have to choose to move,' but come 2005, you will move. And the other question is, What about this \$15-\$16 million that's still outstanding? Whose money is that? And if that money, or if it's determined that that money returns to the state, how viable is this entity going to be at that point and what happens to those retirees?"

"Mr. President, based upon how I read this bill and my concern, and the issues that we were faced with when we created VEBA, I stand in opposition to this measure and I ask that you and my colleagues give serious consideration to opposing the bill.

"Thank you very much."

Senator Hee rose with reservations and said:

"Mr. President, having sat through the entire day and finally hearing an argument in opposition that is cogent and articulate, I will be voting 'with reservations.' Thank you."

The Chair so ordered.

Senator Nishihara requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1619 was adopted and H.B. No. 1608, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hanabusa, Kokubun, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 1621 (H.B. No. 1784, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1621 be adopted and H.B. No. 1784, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Trimble rose in opposition and said:

"Mr. President, I rise in opposition to H.B. No. 1784.

"We're no longer in the 1960s. In the 1960s we used to have something called the Department of Planning and Economic Development. That agency or that department had what was known as the Hawaii International Services Agency. That was done away with. Then we had the Department of Economic Development. When we had the Department of Economic Development, first there was an International Affairs Office in the Office of the Governor and then there was an office created in the Department of Economic Development. We later did away with that agency.

"Now we're in the 21st century. We're living in a global society. We're no longer isolated. We're connected to the rest of the world by the internet and yet we want to go back and create something for whose purpose no longer exists.

"I suggest, colleagues, that this office was done away with not once, but twice previously for good reason. There is no reason to resurrect this dead horse.

"Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1621 was adopted and H.B. No. 1784, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF INTERNATIONAL AFFAIRS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Hemmings, Hogue, Slom, Trimble). Excused, 1 (Tsutsui).

Stand. Com. Rep. No. 1623 (H.B. No. 160, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator English and carried, Stand. Com. Rep. No. 1623 was adopted and H.B. No. 160, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPLIANCE RESOLUTION FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Hogue, Slom). Excused, 1 (Tsutsui).

Stand. Com. Rep. No. 1624 (H.B. No. 1331, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 1624 be adopted and H.B. No. 1331, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Slom requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Stand. Com. Rep. No. 1624 was adopted and H.B. No. 1331, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR JACOBY DEVELOPMENT INC," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Tsutsui).

RECONSIDERATION OF ACTION TAKEN

S.B. No. 608 (H.D. 1):

Senator Inouye moved that the Senate reconsider its action taken on March 31, 2005, in disagreeing to the amendments proposed by the House to S.B. No. 608, seconded by Senator Menor and carried.

Senator Inouye moved that the Senate agree to the amendments proposed by the House to S.B. No. 608, seconded by Senator Menor.

Senator Inouye noted:

“Mr. President, the purpose of this measure is to require any physician, surgeon, hospital, or clinic that treats any person involved in a motor vehicle collision and sustaining serious injury or death to report pertinent information to the police. The House removed redundancy found in the Senate version, but there are no substantive differences between the two.

“Mr. President, the Chairs of CPH and Judiciary and Hawaiian Affairs, as Co-Chairs of the Conference Committee to such measure, also concur with my decision to agree.”

“Thank you, Mr. President.”

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 608, and S.B. No. 608, H.D. 1, entitled: “A BILL FOR AN ACT RELATING TO DUTY OF PHYSICIAN, SURGEON, HOSPITAL, CLINIC, ETC., TO REPORT WOUNDS,” was placed on the calendar for Final Reading on Thursday, April 14, 2005.

Senator Taniguchi, Chair of the Committee on Ways and Means, requested a waiver of the notice requirement pursuant to Senate Rule 21 for the following resolutions:

S.C.R. No. 37;
S.C.R. No. 39;
S.C.R. No. 40;
S.C.R. No. 42;
S.C.R. No. 106; and
S.C.R. No. 147.

Senator Taniguchi noted:

“Mr. President, S.C.R. No. 37 makes a new public high school in Kihei.

“S.C.R. No. 39 requests the Auditor to assess required health insurance to offer coverage for marriage and family therapy.

“S.C.R. No. 106 is relating to the public procurement code.

“S.C.R. No. 40 relates to the carrying capacity study by HTA.

“S.C.R. No. 42 requests taxation to collect TAT or unregistered vacation rentals.

“S.C.R. No. 147 is the audit to DLNR’s Division of Conservation and resources enforcement.

“Mr. President, the reason for the waiver is because these are requests from members.”

The Chair then granted the waiver.

Senator Menor, Chair of the Committee on Commerce, Consumer Protection and Housing, requested a waiver of the notice requirement pursuant to Senate Rule 21 for H.C.R. Nos. 4 and 113.

Senator Menor noted:

“Mr. President, H.C.R. No. 4, H.D. 1, requests the Insurance Commissioner to investigate the advisability of entering into interstate compacts with other states concerning the certain perils affecting the cost of property and casualty insurance.

“H.C.R. No. 113 is requesting reports on the effectiveness of the Hawaii Insurance Bureau’s Fire Rating Program.

“Mr. President, the reason for the waiver request is because these resolutions raised issues and concerns which I believe merit further consideration in a public hearing. However, these resolutions were inadvertently not included in a hearing notice that had been filed previously within the applicable notice timeframe. As such, the waiver became necessary.”

The Chair then granted the waiver.

At this time, Senator Hanabusa, on behalf of the Senate, extended happy birthday wishes to Senator Slom.

Senator Hemmings rose on a point of personal privilege as follows:

“Mr. President, I rise on a point of personal privilege.

“A dark cloud has been cast upon the Senate and this Legislature. We’re oftentimes criticized for answering the call of special interest, but never in recent history that I know of have we ever had a smoking gun of evidence that would point to legislative power being leveraged to extort a favor from or an action from a private sector company.

“I’m referring to the attempts made by a Senator and some colleagues in the Majority Party to have Norwegian Cruise Lines compensate or reinstate an employee that was fired for cause, otherwise there would be investigations of levying a tax specifically against this cruise line. This has been in the media. Obviously, because it’s in the media, we don’t have access to all the information.

“In order to protect the integrity of the Senate and of the legislative process, Senate Minority has asked the Ethics Commission to investigate this entire issue and come back to us with an opinion as to its ethics and also whether or not it did constitute unwarranted use of political power.

“In order to protect the process, after all the good work that’s being done and all the healthy debate that’s gone on in the legislative process, we’re heading into a very important two weeks of the Session, and that’s where we’ll be going into Conference Committee. I think the prudent thing to do would be to ask the Chairman of the Labor Committee to step aside until we get some sort of decision from the Ethics Commission and that would include the current Chair not attending or participating in decision making by the Labor Committee.

“I can just imagine the signal we’re sending out to businesses, like the Norwegian Cruise Lines, that is, if you don’t do as the Legislature, the Majority Party, or an individual Legislator wishes, then you will have a price to pay legislatively. It is a terrible, terrible cloud that would be cast upon this process and all of us, and I think the prudent thing to do is to have it investigated and not allow the Chair of this particular Committee to continue under such circumstances.

“So, I’d ask the Majority Party to respond accordingly.”

APPOINTMENT OF CONFEREES

S.B. No. 561, S.D. 1 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 561, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Chun Oakland, chair; Taniguchi, co-chair; Fukunaga, Whalen as managers on the part of the Senate at such conference.

S.B. No. 956, S.D. 1 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 956, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; English, co-chair; Hemmings as managers on the part of the Senate at such conference.

S.B. No. 1253, S.D. 1 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1253, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Sakamoto, chair; Hooser, co-chair; Nishihara, Hogue as managers on the part of the Senate at such conference.

S.B. No. 1451, S.D. 2 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1451, S.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Taniguchi, co-chair; Hemmings as managers on the part of the Senate at such conference.

S.B. No. 1461, S.D. 2 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1461, S.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Taniguchi, co-chair; Hemmings as managers on the part of the Senate at such conference.

S.B. No. 1473, S.D. 1 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1473, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Baker, chair; Kokubun, co-chair; Chun Oakland, Fukunaga, Whalen as managers on the part of the Senate at such conference.

S.B. No. 1636, S.D. 2 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1636, S.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Sakamoto, chair; Kanno, Taniguchi, co-chairs; Hogue as managers on the part of the Senate at such conference.

S.B. No. 1650, S.D. 2 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1650, S.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Sakamoto, chair; Taniguchi,

co-chair; Nishihara, Tsutsui, Hogue as managers on the part of the Senate at such conference.

S.B. No. 1732, S.D. 1 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1732, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Inouye, chair; Taniguchi, co-chair; Espero, Kanno, Whalen as managers on the part of the Senate at such conference.

S.B. No. 1883, S.D. 2 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1883, S.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Taniguchi, co-chair; Hemmings as managers on the part of the Senate at such conference.

S.B. No. 1893 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 1893, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; English, Hanabusa, co-chairs; Hemmings as managers on the part of the Senate at such conference.

H.B. No. 98, H.D. 2 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 98, H.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; English, co-chair; Hemmings as managers on the part of the Senate at such conference.

H.B. No. 125, H.D. 2 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 125, H.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Hooser, co-chair; Fukunaga, Hemmings as managers on the part of the Senate at such conference.

H.B. No. 169, H.D. 1 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 169, H.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; English, co-chair; Hemmings as managers on the part of the Senate at such conference.

H.B. No. 553, H.D. 1 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 553, H.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Hanabusa, chair; English, Hee, Slom as managers on the part of the Senate at such conference.

H.B. No. 833, H.D. 1 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 833, H.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Hanabusa, chair; English, Hee,

Whalen as managers on the part of the Senate at such conference.

H.B. No. 1413, H.D. 1 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 1413, H.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Hanabusa, chair; Hee, Whalen as managers on the part of the Senate at such conference.

ADJOURNMENT

At 3:03 o'clock p.m., on motion by Senator Hee, seconded by Senator Hogue and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, April 14, 2005.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate