

FORTY-SEVENTH DAY

Tuesday, April 11, 2006

The Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006, convened at 10:26 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by Mr. Ernest Morikubo, Moiliili Hongwanji Mission, 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.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 488 to 545) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 488, informing the Senate that the House has disagreed to the amendments proposed by the Senate to the following House bills:

H.B. No. 1878 (S.D. 1);
H.B. No. 2313 (S.D. 1); and
H.B. No. 2443, H.D. 1 (S.D. 1),

was placed on file.

Hse. Com. No. 489, transmitting H.C.R. No. 66, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 66, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE FORMATION OF A LONG-RANGE PLAN TO ADDRESS THE FUTURE OF PUBLIC AND SCHOOL LIBRARIES," was referred to the Committee on Education and Military Affairs.

Hse. Com. No. 490, transmitting H.C.R. No. 86, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 86, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE CITY AND COUNTY OF HONOLULU TO INCLUDE IN ITS TRANSPORTATION PLAN FOR A LIGHT-RAIL TRANSIT SYSTEM AN ADDITIONAL SPUR LINE TO MILILANI," was referred jointly to the Committee on Intergovernmental Affairs and the Committee on Transportation and Government Operations.

Hse. Com. No. 491, transmitting H.C.R. No. 119, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 119, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES PRESIDENT AND CONGRESS TO IMMEDIATELY RATIFY THE AMENDMENTS MADE TO THE HAWAIIAN HOMES COMMISSION ACT OF 1920, AS AMENDED, AS EMBODIED IN ACT 302, SESSION LAWS OF HAWAII 2001, AND TO RECOGNIZE HAWAIIAN HOMESTEAD COMMUNITY ORGANIZATIONS AS SELF-GOVERNING ADMINISTRATIVE AUTHORITIES FOR THEIR RESPECTIVE COMMUNITIES," was referred to the Committee on Judiciary and Hawaiian Affairs.

Hse. Com. No. 492, transmitting H.C.R. No. 127, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 127, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CREATE A COMPREHENSIVE STATEWIDE PEDESTRIAN SAFETY ACTION PLAN," was referred to the Committee on Transportation and Government Operations.

Hse. Com. No. 493, transmitting H.C.R. No. 144, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 144, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE DEVELOPMENT OF A SUBMERSIBLE VEHICULAR TUNNEL FROM EWA TO DOWNTOWN HONOLULU," was referred to the Committee on Transportation and Government Operations.

Hse. Com. No. 494, transmitting H.C.R. No. 173, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 173, entitled: "HOUSE CONCURRENT RESOLUTION EXPRESSING APPRECIATION TO THE AIRLINES SERVING THE STATE OF HAWAII AND REQUESTING A PARTNERSHIP BETWEEN THE AIRLINES AND THE STATE TO PERPETUATE HAWAII'S NATURAL RESOURCES," was referred jointly to the Committee on Transportation and Government Operations and the Committee on Tourism.

Hse. Com. No. 495, transmitting H.C.R. No. 198, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 198, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO DETERMINE THE FEASIBILITY OF RETURNING THE KAPALUA-WEST MAUI AIRPORT TO PRIVATE OPERATION," was referred to the Committee on Transportation and Government Operations.

Hse. Com. No. 496, transmitting H.C.R. No. 215, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 215, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DESIGNATE THE AHUPUAA OF MUOLEA AS A COMMUNITY-BASED SUBSISTENCE FISHING AREA," was referred to the Committee on Water, Land, and Agriculture.

Hse. Com. No. 497, transmitting H.C.R. No. 226, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 226, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A WORKING GROUP TO DETERMINE FAMILY PLANNING

FUNDING NEEDS FOR LEGISLATIVE CONSIDERATION IN THE STATE'S FISCAL BIENNIAL 2007-2009 BUDGET," was referred to the Committee on Health.

Hse. Com. No. 498, transmitting H.C.R. No. 232, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 232, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE OFFICE OF HAWAIIAN AFFAIRS TO CONVENE A TASK FORCE TO CONSIDER THE MERITS OF CREATING A MONUMENT TO THE CITIZENS OF THE KINGDOM OF HAWAII IN COLLABORATION WITH HAWAIIAN ORGANIZATIONS, RESPECTED KUPUNA IN THE HAWAIIAN COMMUNITY, AND THE DEPARTMENT OF LAND AND NATURAL RESOURCES," was referred to the Committee on Judiciary and Hawaiian Affairs.

Hse. Com. No. 499, transmitting H.C.R. No. 241, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 241, entitled: "HOUSE CONCURRENT RESOLUTION ENCOURAGING THE DEPARTMENT OF TRANSPORTATION TO APPLY FOR APPORTIONED FEDERAL FUNDING TO ESTABLISH A SAFE ROUTES TO SCHOOL PROGRAM IN HAWAII AND TO RECRUIT AND HIRE A FULL-TIME COORDINATOR FOR THE PROGRAM," was referred jointly to the Committee on Transportation and Government Operations and the Committee on Education and Military Affairs.

Hse. Com. No. 500, transmitting H.C.R. No. 262, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 262, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION SERVICES OF THE CITY AND COUNTY OF HONOLULU TO INSTALL A LIGHTED CROSSWALK ON KAMEHAMEHA HIGHWAY IN KANEOHE, OAHU, AT THE CROSSWALK BETWEEN LILIPUNA ROAD AND MEHANA STREET AND TO ESTABLISH A MARKED CROSSWALK ON KEOLU DRIVE NEAR KAELEPULU ELEMENTARY SCHOOL," was referred to the Committee on Intergovernmental Affairs.

Hse. Com. No. 501, transmitting H.C.R. No. 264, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 264, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO EVALUATE VARIOUS ALTERNATIVE AIR COOLING METHODS SUCH AS FANS, HEAT REDUCTION, INSULATION, AND ENERGY-EFFICIENT INDIVIDUAL AIR CONDITIONING WALL UNITS, AS WELL AS AIR COOLING METHODS THAT USE RENEWABLE ENERGY SOURCES TO ENCOURAGE COMPLIANCE WITH 'LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN' STANDARDS," was referred jointly to the Committee on Energy, Environment, and International Affairs and the Committee on Education and Military Affairs.

Hse. Com. No. 502, transmitting H.C.R. No. 268, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 268, entitled: "HOUSE CONCURRENT RESOLUTION ENCOURAGING THE DEPARTMENT OF EDUCATION TO ESTABLISH STANDARDS OF BRAILLE PROFICIENCY AND INSTRUCTION," was referred to the Committee on Education and Military Affairs.

Hse. Com. No. 503, transmitting H.C.R. No. 283, H.D. 1, which was adopted by the House of Representatives on April 7, 2006, was placed on file.

By unanimous consent, H.C.R. No. 283, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AMERICAN ASSOCIATION OF RETIRED PERSONS HAWAII TO CONDUCT A STUDY TO DETERMINE THE MEANS TO ESTABLISH AN 'AGING IN PLACE' TAX CREDIT FOR HAWAII TAXPAYERS," was referred to the Committee on Ways and Means.

Hse. Com. No. 504, returning S.B. No. 427, S.D. 1, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 427, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 505, returning S.B. No. 695, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 695, and requested a conference on the subject matter thereof.

Hse. Com. No. 506, returning S.B. No. 951, S.D. 2, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 951, S.D. 2, and requested a conference on the subject matter thereof.

Hse. Com. No. 507, returning S.B. No. 995, S.D. 1, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 995, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 508, returning S.B. No. 2006, S.D. 3, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 2006, S.D. 3, and requested a conference on the subject matter thereof.

Hse. Com. No. 509, returning S.B. No. 2063, which passed Third Reading in the House of Representatives on April 7, 2006, 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

Hse. Com. No. 541, returning S.B. No. 3072, S.D. 1, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 3072, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 542, returning S.B. No. 3084, S.D. 2, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 3084, S.D. 2, and requested a conference on the subject matter thereof.

Hse. Com. No. 543, returning S.B. No. 3111, S.D. 1, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 3111, S.D. 1, and requested a conference on the subject matter thereof.

Hse. Com. No. 544, returning S.B. No. 3197, S.D. 2, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 3197, S.D. 2, and requested a conference on the subject matter thereof.

Hse. Com. No. 545, returning S.B. No. 3254, S.D. 2, which passed Third Reading in the House of Representatives on April 7, 2006, 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. 3254, S.D. 2, and requested a conference on the subject matter thereof.

STANDING COMMITTEE REPORTS

Senator English, for the Committee on Energy, Environment, and International Affairs, presented a report (Stand. Com. Rep. No. 3540) recommending that the Senate advise and consent to the nomination of GAIL LEANNE GRABOWSKY to the Environmental Council, in accordance with Gov. Msg. No. 326.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3540 and Gov. Msg. No. 326 was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3541) recommending that the Senate advise and consent to the nomination of ANTHONY D. CASTBERG to the Civil Defense Advisory Council, in accordance with Gov. Msg. No. 317.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3541 and Gov. Msg. No. 317 was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep.

No. 3542) recommending that the Senate advise and consent to the nomination of DAVID RAY MARSHALL to the Commission on Transportation, in accordance with Gov. Msg. No. 360.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3542 and Gov. Msg. No. 360 was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3543) recommending that the Senate advise and consent to the nomination of JOHN T. KAIZUKA to the State Highway Safety Council, in accordance with Gov. Msg. No. 333.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3543 and Gov. Msg. No. 333 was deferred until Thursday, April 13, 2006.

Senators Hanabusa and Kokubun, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Water, Land, and Agriculture, presented a joint report (Stand. Com. Rep. No. 3544) recommending that S.R. No. 10, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3544 and S.R. No. 10, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DEDICATE BERTHING AREAS IN EACH COUNTY WHERE NON-PROFIT ORGANIZATIONS CAN MOOR THEIR VOYAGING CANOES," was deferred until Thursday, April 13, 2006.

Senators Hanabusa and Kokubun, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Water, Land, and Agriculture, presented a joint report (Stand. Com. Rep. No. 3545) recommending that S.C.R. No. 23, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3545 and S.C.R. No. 23, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DEDICATE BERTHING AREAS IN EACH COUNTY WHERE NON-PROFIT ORGANIZATIONS CAN MOOR THEIR VOYAGING CANOES," was deferred until Thursday, April 13, 2006.

Senators Hanabusa and Kokubun, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Water, Land, and Agriculture, presented a joint report (Stand. Com. Rep. No. 3546) recommending that S.R. No. 75 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3546 and S.R. No. 75, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY AND THE DEPARTMENT OF AGRICULTURE TO CONDUCT A FEASIBILITY STUDY ON SELLING THE LAND COMPRISING THE OAHU COMMUNITY CORRECTIONAL FACILITY ON KAMEHAMEHA HIGHWAY AND MOVING TO THE SITE OF THE ANIMAL QUARANTINE CENTER IN HALAWA OR ADJACENT STATE LAND NEAR THE CURRENT HALAWA CORRECTIONAL FACILITY," was deferred until Thursday, April 13, 2006.

Senator Hanabusa, for the Committee on Judiciary and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 3547) recommending that S.C.R. No. 9 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3547 and S.C.R. No. 9, entitled: "SENATE CONCURRENT RESOLUTION URGING CULTURAL PERPETUATION IN RURAL HAWAIIAN COMMUNITIES," was deferred until Thursday, April 13, 2006.

Senator Hanabusa, for the Committee on Judiciary and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 3548) recommending that S.C.R. No. 87, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3548 and S.C.R. No. 87, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION CONVENING A TASK FORCE TO EXAMINE THE IMPLEMENTATION OF AN AUTOMATED VICTIM NOTIFICATION SYSTEM," was deferred until Thursday, April 13, 2006.

Senator Hanabusa, for the Committee on Judiciary and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 3549) recommending that S.C.R. No. 89, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3549 and S.C.R. No. 89, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION CONVENING A TASK FORCE TO EXAMINE THE ISSUE OF CHANGES TO THE HAWAII PENAL CODE FOR THE SENTENCING OF REPEAT OFFENDERS," was deferred until Thursday, April 13, 2006.

Senator Hanabusa, for the Committee on Judiciary and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 3550) recommending that S.C.R. No. 91, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3550 and S.C.R. No. 91, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING A TASK FORCE TO EXAMINE THE BACKLOG IN UNSERVED ARREST WARRANTS," was deferred until Thursday, April 13, 2006.

Senators Hanabusa and Ige, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Intergovernmental Affairs, presented a joint report (Stand. Com. Rep. No. 3551) recommending that S.C.R. No. 94, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3551 and S.C.R. No. 94, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING A TASK FORCE TO EXAMINE THE ISSUE OF DISCRETIONARY FUNCTION EXCEPTION FOR OF THE STATE AND COUNTIES," was deferred until Thursday, April 13, 2006.

Senators Hanabusa and Kokubun, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Water, Land, and Agriculture, presented a joint report (Stand. Com. Rep. No. 3552) recommending that S.C.R. No. 125 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3552 and S.C.R. No. 125, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY AND THE DEPARTMENT OF AGRICULTURE TO CONDUCT A FEASIBILITY STUDY ON SELLING THE LAND COMPRISING THE OAHU COMMUNITY CORRECTIONAL FACILITY ON KAMEHAMEHA HIGHWAY AND MOVING TO THE SITE OF THE ANIMAL QUARANTINE CENTER IN HALAWA OR ADJACENT STATE LAND NEAR THE CURRENT

HALAWA CORRECTIONAL FACILITY," was deferred until Thursday, April 13, 2006.

Senator Hanabusa, for the Committee on Judiciary and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 3553) recommending that S.C.R. No. 216 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3553 and S.C.R. No. 216, entitled: "SENATE CONCURRENT RESOLUTION CREATING A LEGISLATIVE TASK FORCE TO MAKE RECOMMENDATIONS FOR STATUTORY ENACTMENT TO ENHANCE TRANSPARENCY IN LEGISLATIVE PROCEEDINGS," was deferred until Thursday, April 13, 2006.

Senators Menor and Baker, for the Committee on Commerce, Consumer Protection and Housing and the Committee on Health, presented a joint report (Stand. Com. Rep. No. 3554) recommending that S.C.R. No. 150 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3554 and S.C.R. No. 150, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A TASK FORCE TO STUDY THE PHYSICIAN ON-CALL CRISIS," was deferred until Thursday, April 13, 2006.

Senator Sakamoto, for the Committee on Education and Military Affairs, presented a report (Stand. Com. Rep. No. 3555) recommending that S.C.R. No. 173, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3555 and S.C.R. No. 173, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION DETERMINE A SET OF BENCHMARK INDICATORS TO EVALUATE STUDENT ACHIEVEMENT SINCE THE IMPLEMENTATION OF ACT 51," was deferred until Thursday, April 13, 2006.

Senator Sakamoto, for the Committee on Education and Military Affairs, presented a report (Stand. Com. Rep. No. 3556) recommending that S.R. No. 117, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3556 and S.R. No. 117, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION DETERMINE A SET OF BENCHMARK INDICATORS TO EVALUATE STUDENT ACHIEVEMENT SINCE THE IMPLEMENTATION OF ACT 51," was deferred until Thursday, April 13, 2006.

Senators Sakamoto and Chun Oakland, for the Committee on Education and Military Affairs and the Committee on Human Services, presented a joint report (Stand. Com. Rep. No. 3557) recommending that S.C.R. No. 50 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3557 and S.C.R. No. 50, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ASSIST IN DEVELOPING COMMUNITY-BASED PROGRAMS ON THE BIG ISLAND THAT ENCOURAGE POSITIVE YOUTH OUTCOMES, INCLUDING LEADERSHIP DEVELOPMENT," was deferred until Thursday, April 13, 2006.

Senators Sakamoto and Chun Oakland, for the Committee on Education and Military Affairs and the Committee on Human Services, presented a joint report (Stand. Com. Rep. No. 3558) recommending that S.R. No. 31 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3558 and S.R. No. 31, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ASSIST IN DEVELOPING COMMUNITY-BASED PROGRAMS ON THE BIG ISLAND THAT ENCOURAGE POSITIVE YOUTH OUTCOMES, INCLUDING LEADERSHIP DEVELOPMENT," was deferred until Thursday, April 13, 2006.

Senators Baker and Hee, for the Committee on Health and the Committee on Higher Education, presented a joint report (Stand. Com. Rep. No. 3559) recommending that S.C.R. No. 138 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3559 and S.C.R. No. 138, entitled: "SENATE CONCURRENT RESOLUTION ENCOURAGING THE ENTRANCE OF MEN INTO THE NURSING FIELD," was deferred until Thursday, April 13, 2006.

Senators Baker and Hee, for the Committee on Health and the Committee on Higher Education, presented a joint report (Stand. Com. Rep. No. 3560) recommending that S.R. No. 85 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3560 and S.R. No. 85, entitled: "SENATE RESOLUTION ENCOURAGING THE ENTRANCE OF MEN INTO THE NURSING FIELD," was deferred until Thursday, April 13, 2006.

Senator Hee, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3561) recommending that S.R. No. 141 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3561 and S.R. No. 141, entitled: "SENATE RESOLUTION SUPPORTING A FOUR-YEAR DEGREE PROGRAM IN HISTORIC PRESERVATION AT THE UNIVERSITY OF HAWAII," was deferred until Thursday, April 13, 2006.

Senator Hee, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3562) recommending that S.C.R. No. 85 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3562 and S.C.R. No. 85, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE UNIVERSITY OF HAWAII BOARD OF REGENTS' CONFLICT OF INTEREST POLICY," was deferred until Thursday, April 13, 2006.

Senator Hee, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3563) recommending that S.C.R. No. 97, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3563 and S.C.R. No. 97, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF STUDENT HOUSING SERVICES AT THE UNIVERSITY OF HAWAII AT MANOA," was deferred until Thursday, April 13, 2006.

Senator Hee, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3564) recommending that S.C.R. No. 211 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3564 and S.C.R. No. 211, entitled: "SENATE CONCURRENT

RESOLUTION SUPPORTING A FOUR-YEAR DEGREE PROGRAM IN HISTORIC PRESERVATION AT THE UNIVERSITY OF HAWAII," was deferred until Thursday, April 13, 2006.

Senator English, for the Committee on Energy, Environment, and International Affairs, presented a report (Stand. Com. Rep. No. 3565) recommending that S.C.R. No. 40, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3565 and S.C.R. No. 40, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE ADJUTANT GENERAL OF THE HAWAII NATIONAL GUARD PROVIDE MEMBERS AND VETERANS OF THE ARMED FORCES HEALTH SCREENING FOR DEPLETED URANIUM EXPOSURE," was deferred until Thursday, April 13, 2006.

Senator English, for the Committee on Energy, Environment, and International Affairs, presented a report (Stand. Com. Rep. No. 3566) recommending that S.R. No. 21, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3566 and S.R. No. 21, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THAT THE ADJUTANT GENERAL OF THE HAWAII NATIONAL GUARD PROVIDE MEMBERS AND VETERANS OF THE ARMED FORCES HEALTH SCREENING FOR DEPLETED URANIUM EXPOSURE," was deferred until Thursday, April 13, 2006.

Senator English, for the Committee on Energy, Environment, and International Affairs, presented a report (Stand. Com. Rep. No. 3567) recommending that S.C.R. No. 233 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3567 and S.C.R. No. 233, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE MILITARY TO MAP AND MONITOR ALL MUNITION DUMPSITES OFF HAWAIIAN SHORES," was deferred until Thursday, April 13, 2006.

Senator Espero, for the Committee on Business and Economic Development, presented a report (Stand. Com. Rep. No. 3568) recommending that S.C.R. No. 182, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3568 and S.C.R. No. 182, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING LEGISLATIVE SUPPORT FOR THE HAWAII ATHLETIC TRAINERS' ASSOCIATION AND THE NATIONAL ATHLETIC TRAINERS' ASSOCIATION," was deferred until Thursday, April 13, 2006.

Senator Espero, for the Committee on Business and Economic Development, presented a report (Stand. Com. Rep. No. 3569) recommending that S.R. No. 123, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3569 and S.R. No. 123, S.D. 1, entitled: "SENATE RESOLUTION EXPRESSING LEGISLATIVE SUPPORT FOR THE HAWAII ATHLETIC TRAINERS' ASSOCIATION AND THE NATIONAL ATHLETIC TRAINERS' ASSOCIATION," was deferred until Thursday, April 13, 2006.

Senator Baker, for the Committee on Health, presented a report (Stand. Com. Rep. No. 3570) recommending that S.C.R. No. 140, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3570 and S.C.R. No. 140, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING LEAHI HOSPITAL TO DEVELOP A MASTER PLAN AND FINANCIAL FEASIBILITY REPORT FOR ITS EXISTING CAMPUS THAT WILL TAKE ADVANTAGE OF ITS UNIQUE LOCATION AND RELATIONSHIPS IN EAST HONOLULU," was deferred until Thursday, April 13, 2006.

Senator Baker, for the Committee on Health, presented a report (Stand. Com. Rep. No. 3571) recommending that S.R. No. 87, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3571 and S.R. No. 87, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING LEAHI HOSPITAL TO DEVELOP A MASTER PLAN AND FINANCIAL FEASIBILITY REPORT FOR ITS EXISTING CAMPUS THAT WILL TAKE ADVANTAGE OF ITS UNIQUE LOCATION AND RELATIONSHIPS IN EAST HONOLULU," was deferred until Thursday, April 13, 2006.

Senator Ige, for the Committee on Intergovernmental Affairs, presented a report (Stand. Com. Rep. No. 3572) recommending that S.C.R. No. 141 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3572 and S.C.R. No. 141, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CITY AND COUNTY OF HONOLULU TO MAINTAIN THE CURRENT ZONING OF A ONE HUNDRED SEVENTY-TWO ACRE PARCEL OF REAL PROPERTY IN ROYAL KUNIA FOR THE ESTABLISHMENT OF A PARK, GOLF COURSE, OR CONTINUED USE AS OPEN SPACE," was deferred until Thursday, April 13, 2006.

Senator Ige, for the Committee on Intergovernmental Affairs, presented a report (Stand. Com. Rep. No. 3573) recommending that S.R. No. 88 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3573 and S.R. No. 88, entitled: "SENATE RESOLUTION REQUESTING THE CITY AND COUNTY OF HONOLULU TO MAINTAIN THE CURRENT ZONING OF A ONE HUNDRED SEVENTY-TWO ACRE PARCEL OF REAL PROPERTY IN ROYAL KUNIA FOR THE ESTABLISHMENT OF A PARK, GOLF COURSE, OR CONTINUED USE AS OPEN SPACE," was deferred until Thursday, April 13, 2006.

Senator Baker, for the Committee on Health, presented a report (Stand. Com. Rep. No. 3574) recommending that S.C.R. No. 117, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3574 and S.C.R. No. 117, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A TASK FORCE TO EVALUATE AND RECOMMEND POSSIBLE PROCEDURAL, STATUTORY, AND PUBLIC POLICY CHANGES TO MINIMIZE THE CENSUS AT HAWAII STATE HOSPITAL AND TO PROMOTE COMMUNITY-BASED HEALTH SERVICES FOR FORENSIC PATIENTS," was deferred until Thursday, April 13, 2006.

Senator Baker, for the Committee on Health, presented a report (Stand. Com. Rep. No. 3575) recommending that S.R. No. 89, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3575 and S.R. No. 89, S.D. 1, entitled: "SENATE RESOLUTION

URGING THE DEVELOPMENT OF A LONG-TERM CARE INFRASTRUCTURE PLAN FOR HAWAII TO ENSURE PUBLIC SAFETY WHILE SUPPORTING AGING IN PLACE," was deferred until Thursday, April 13, 2006.

Senator Sakamoto, for the Committee on Education and Military Affairs, presented a report (Stand. Com. Rep. No. 3576) recommending that S.C.R. No. 176, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3576 and S.C.R. No. 176, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE BOARD AND DEPARTMENT OF EDUCATION CLARIFY HOW THE I.D.E.A. MANDATE OF 'FREE APPROPRIATE PUBLIC EDUCATION' FOR SPECIAL EDUCATION STUDENTS IS BEING IMPLEMENTED IN THE STATE AND THAT THE LEGISLATIVE REFERENCE BUREAU CONDUCT A COMPARATIVE STUDY OF COSTS AND FEES CHARGED BY SCHOOL DISTRICTS," was deferred until Thursday, April 13, 2006.

Senators Sakamoto and English, for the Committee on Education and Military Affairs and the Committee on Energy, Environment, and International Affairs, presented a joint report (Stand. Com. Rep. No. 3577) recommending that S.C.R. No. 149 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3577 and S.C.R. No. 149, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION DEVELOP AND IMPLEMENT A STUDENT AND FACULTY EXCHANGE PROGRAM BETWEEN HAWAII AND THE PHILIPPINES," was deferred until Thursday, April 13, 2006.

Senators Sakamoto and English, for the Committee on Education and Military Affairs and the Committee on Energy, Environment, and International Affairs, presented a joint report (Stand. Com. Rep. No. 3578) recommending that S.R. No. 94 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3578 and S.R. No. 94, entitled: "SENATE RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION DEVELOP AND IMPLEMENT A STUDENT AND FACULTY EXCHANGE PROGRAM BETWEEN HAWAII AND THE PHILIPPINES," was deferred until Thursday, April 13, 2006.

Senators Sakamoto and Fukunaga, for the Committee on Education and Military Affairs and the Committee on Media, Arts, Science and Technology, presented a joint report (Stand. Com. Rep. No. 3579) recommending that S.R. No. 36 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3579 and S.R. No. 36, entitled: "SENATE RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION INVESTIGATE THE FEASIBILITY OF EBOOKS AS AN ALTERNATIVE TO TRADITIONAL TEXTBOOKS AND REPORT ITS FINDINGS TO THE LEGISLATURE," was deferred until Thursday, April 13, 2006.

Senators Sakamoto and Fukunaga, for the Committee on Education and Military Affairs and the Committee on Media, Arts, Science and Technology, presented a joint report (Stand. Com. Rep. No. 3580) recommending that S.C.R. No. 57 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3580 and S.C.R. No. 57, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION INVESTIGATE THE FEASIBILITY OF EBOOKS AS AN ALTERNATIVE TO TRADITIONAL TEXTBOOKS AND REPORT ITS FINDINGS TO THE LEGISLATURE," was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3581) recommending that S.C.R. No. 217 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3581 and S.C.R. No. 217, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE COUNTIES TO ADOPT AN ORDINANCE TO PARTICIPATE IN THE NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY RATING SYSTEM TO OBTAIN MONETARY DISCOUNTS IN PURCHASING FLOOD INSURANCE," was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3582) recommending that S.R. No. 147 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3582 and S.R. No. 147, entitled: "SENATE RESOLUTION REQUESTING THE COUNTIES TO ADOPT AN ORDINANCE TO PARTICIPATE IN THE NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY RATING SYSTEM TO OBTAIN MONETARY DISCOUNTS IN PURCHASING FLOOD INSURANCE," was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3583) recommending that H.C.R. No. 51 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3583 and H.C.R. No. 51, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO ASSIST IN THE PRIVATIZATION OF ITS PALOLO VALLEY HOMES PROJECT," was deferred until Thursday, April 13, 2006.

Senators Hanabusa and Ige, for the Committee on Judiciary and Hawaiian Affairs and the Committee on Intergovernmental Affairs, presented a joint report of the majority of the Committees (Stand. Com. Rep. No. 3584), recommending that S.C.R. No. 202 be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the majority of the Committees was adopted and S.C.R. No. 202, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ATTORNEY GENERAL TO ANALYZE EXISTING LAW TO IDENTIFY ANY IMPEDIMENT TO THE DEPARTMENT OF TAXATION'S IMPLEMENTING THE COLLECTION OF THE COUNTY SURCHARGE BY JANUARY 1, 2007 AND REQUESTING THE DEPARTMENT OF TAXATION TO ESTABLISH A PLAN TO IMPLEMENT THE ADMINISTRATION AND COLLECTION OF A COUNTY SURCHARGE ON THE STATE GENERAL EXCISE TAX TO FUND COUNTY MASS TRANSPORTATION PROJECTS ON JANUARY 1, 2007," was referred to the Committee on Ways and Means.

Senator Baker, for the Committee on Health, presented a report (Stand. Com. Rep. No. 3585), recommending that S.R.

No. 136, as amended in S.D. 1, be referred to the Committee on Judiciary and Hawaiian Affairs.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 136, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE JUDICIARY TO ESTABLISH AN APPROPRIATE FEE FOR COURT-ORDERED FORENSIC EVALUATIONS AND TO PROVIDE COPIES OF THE EXAMINATION REPORTS TO THE DEPARTMENT OF HEALTH," was referred to the Committee on Judiciary and Hawaiian Affairs.

Senator Baker, for the Committee on Health, presented a report (Stand. Com. Rep. No. 3586), recommending that S.C.R. No. 206, as amended in S.D. 1, be referred to the Committee on Judiciary and Hawaiian Affairs.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 206, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE JUDICIARY TO ESTABLISH AN APPROPRIATE FEE FOR COURT-ORDERED FORENSIC EVALUATIONS AND TO PROVIDE COPIES OF THE EXAMINATION REPORTS TO THE DEPARTMENT OF HEALTH," was referred to the Committee on Judiciary and Hawaiian Affairs.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3587), recommending that S.C.R. No. 210, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 210, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A MANAGEMENT, OPERATIONAL, AND FINANCIAL REVIEW OF HAWAII'S EARLY HEAD START AND HEAD START FUNDING RECIPIENTS TO IMPROVE EARLY CHILDHOOD INTERVENTION AND SPECIAL EDUCATION SERVICES FOR CHILDREN WITH DISABILITIES AND TO OPTIMIZE FUNDING RESOURCES," was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3588), recommending that S.R. No. 140, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 140, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A MANAGEMENT, OPERATIONAL, AND FINANCIAL REVIEW OF HAWAII'S EARLY HEAD START AND HEAD START FUNDING RECIPIENTS TO IMPROVE EARLY CHILDHOOD INTERVENTION AND SPECIAL EDUCATION SERVICES FOR CHILDREN WITH DISABILITIES AND TO OPTIMIZE FUNDING RESOURCES," was referred to the Committee on Ways and Means.

Senators Chun Oakland and Kanno, for the Committee on Human Services and the Committee on Labor, presented a joint report (Stand. Com. Rep. No. 3589), recommending that S.C.R. No. 13 be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the Committees was adopted and S.C.R. No. 13, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO CONVENE A WORK-FAMILY TASK FORCE TO REVIEW HAWAII'S WORK-FAMILY LAWS AND POLICIES, AND REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY OTHER STATES' LAWS AND PRACTICES THAT PROMOTE GOOD WORK-FAMILY POLICY," was referred to the Committee on Ways and Means.

Senators Chun Oakland and Kanno, for the Committee on Human Services and the Committee on Labor, presented a joint report (Stand. Com. Rep. No. 3590), recommending that S.R. No. 160 be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the joint report of the Committees was adopted and S.R. No. 160, entitled: "SENATE RESOLUTION REQUESTING THE GOVERNOR TO CONVENE A WORK-FAMILY TASK FORCE TO REVIEW HAWAII'S WORK-FAMILY LAWS AND POLICIES, AND REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY OTHER STATES' LAWS AND PRACTICES THAT PROMOTE GOOD WORK-FAMILY POLICY," was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3591), recommending that S.C.R. No. 67, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 67, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ENSURE THAT THE CURRENT RESIDENTIAL ALTERNATIVE COMMUNITY CARE PROGRAM MODEL IS NOT DISMANTLED WITH THE PROPOSED QUEST EXPANDED ACCESS PROGRAM," was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3592), recommending that S.R. No. 44, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 44, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ENSURE THAT THE CURRENT RESIDENTIAL ALTERNATIVE COMMUNITY CARE PROGRAM MODEL IS NOT DISMANTLED WITH THE PROPOSED QUEST EXPANDED ACCESS PROGRAM," was referred to the Committee on Ways and Means.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3593) recommending that S.C.R. No. 131, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3593 and S.C.R. No. 131, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE OFFICE OF HAWAIIAN AFFAIRS TO CONVENE A TASK FORCE TO MAKE RECOMMENDATIONS ON THE APPROPRIATE LEASE RENT FOR THE MAUNA KEA SUMMIT LANDS," was deferred until Thursday, April 13, 2006.

Senator Kanno, for the Committee on Labor, presented a report (Stand. Com. Rep. No. 3594) recommending that S.C.R. No. 106, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3594 and S.C.R. No. 106, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION URGING HAWAII EMPLOYERS TO DEVELOP AND IMPLEMENT STANDARDS OF CONDUCT AND POLICIES FOR MANAGERS AND EMPLOYEES TO REDUCE WORKPLACE BULLYING AND PROMOTE HEALTHFUL AND SAFE WORK ENVIRONMENTS," was deferred until Thursday, April 13, 2006.

Senator Kanno, for the Committee on Labor, presented a report (Stand. Com. Rep. No. 3595) recommending that S.R. No. 62, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3595 and S.R. No. 62, S.D. 1, entitled: "SENATE RESOLUTION URGING HAWAII EMPLOYERS TO DEVELOP AND IMPLEMENT STANDARDS OF CONDUCT AND POLICIES FOR MANAGERS AND EMPLOYEES TO REDUCE WORKPLACE BULLYING AND PROMOTE HEALTHFUL AND SAFE WORK ENVIRONMENTS," was deferred until Thursday, April 13, 2006.

Senators Kanno and Ige, for the Committee on Labor and the Committee on Intergovernmental Affairs, presented a joint report (Stand. Com. Rep. No. 3596) recommending that S.C.R. No. 49, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3596 and S.C.R. No. 49, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO CONDUCT A STUDY OF THE STATE FIRE COUNCIL," was deferred until Thursday, April 13, 2006.

Senators Kanno and Ige, for the Committee on Labor and the Committee on Intergovernmental Affairs, presented a joint report (Stand. Com. Rep. No. 3597) recommending that S.R. No. 30, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3597 and S.R. No. 30, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS TO CONDUCT A STUDY OF THE STATE FIRE COUNCIL," was deferred until Thursday, April 13, 2006.

Senator Sakamoto, for the Committee on Education and Military Affairs, presented a report (Stand. Com. Rep. No. 3598) recommending that S.C.R. No. 75, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3598 and S.C.R. No. 75, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION CLARIFY THE PROCEDURES THROUGH WHICH STUDENTS MAY TAKE ONLINE CLASSES FROM AN ACCREDITED INSTITUTION FOR CREDIT TOWARD DEPARTMENT OF EDUCATION REQUIREMENTS," was deferred until Thursday, April 13, 2006.

Senator Sakamoto, for the Committee on Education and Military Affairs, presented a report (Stand. Com. Rep. No. 3599) recommending that S.R. No. 49, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3599 and S.R. No. 49, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION CLARIFY THE PROCEDURES THROUGH WHICH STUDENTS MAY TAKE ONLINE CLASSES FROM AN ACCREDITED INSTITUTION FOR CREDIT TOWARD DEPARTMENT OF EDUCATION REQUIREMENTS," was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3600) recommending that S.C.R. No. 41 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3600 and S.C.R. No. 41, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION AND THE EXECUTIVE OFFICE ON AGING TO COLLABORATE ON PROVIDING TRANSPORTATION TO SENIORS AND TO VISUALLY IMPAIRED PERSONS, AND EXPRESSING THE LEGISLATURE'S SUPPORT FOR FEDERAL LEGISLATION TO PROVIDE FUNDING FOR ITNAMERICA FOR A FIVE-YEAR NATIONAL ROLL-OUT AND GRANTS," was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3601) recommending that S.R. No. 22 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3601 and S.R. No. 22, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION AND THE EXECUTIVE OFFICE ON AGING TO COLLABORATE ON PROVIDING TRANSPORTATION TO SENIORS AND TO VISUALLY IMPAIRED PERSONS, AND EXPRESSING THE LEGISLATURE'S SUPPORT FOR FEDERAL LEGISLATION TO PROVIDE FUNDING FOR ITNAMERICA FOR A FIVE-YEAR NATIONAL ROLL-OUT AND GRANTS," was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3602) recommending that S.R. No. 79 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3602 and S.R. No. 79, entitled: "SENATE RESOLUTION ESTABLISHING A SENATE SPECIAL COMMITTEE TO MAKE RECOMMENDATIONS ON THE APPROPRIATE LEASE RENT FOR THE MAUNA KEA SUMMIT LANDS," was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3603) recommending that S.C.R. No. 199 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3603 and S.C.R. No. 199, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE COLLEGE OF HAWAIIAN LANGUAGE AT THE UNIVERSITY OF HAWAII AT HILO TO WORK WITH APPROPRIATE GOVERNMENT OFFICES TO DEVELOP A PLAN TO PROMOTE THE HAWAIIAN LANGUAGE IN ALL STATE AND COUNTY GOVERNMENT OFFICES," was deferred until Thursday, April 13, 2006.

Senator Inouye, for the Committee on Transportation and Government Operations, presented a report (Stand. Com. Rep. No. 3604) recommending that S.C.R. No. 93, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3604 and S.C.R. No. 93, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS AND THE ATTORNEY GENERAL TO IMPLEMENT MEASURES TO PROVIDE A SMOOTH TRANSITION FOR PUBLIC, EDUCATION, AND GOVERNMENT ACCESS ORGANIZATIONS SHOULD IT BE DETERMINED BY THE STATE PROCUREMENT OFFICE THAT THESE ORGANIZATIONS ARE SUBJECT TO THE STATE PROCUREMENT LAW," was deferred until Thursday, April 13, 2006.

Senators Baker and Chun Oakland, for the Committee on Health and the Committee on Human Services, presented a joint report (Stand. Com. Rep. No. 3605) recommending that S.R. No. 64 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3605 and S.R. No. 64, entitled: "SENATE RESOLUTION REQUESTING CONGRESS TO EXAMINE THE PUBLIC POLICY UNDERLYING THE RECOVERY OF MEDICAL ASSISTANCE PAYMENTS," was deferred until Thursday, April 13, 2006.

Senator Fukunaga, for the Committee on Media, Arts, Science and Technology, presented a report (Stand. Com. Rep. No. 3606) recommending that S.C.R. No. 10, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3606 and S.C.R. No. 10, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION SUPPORTING THE PRESERVATION OF JAPANESE SHRINES AND TEMPLES IN HAWAII," was deferred until Thursday, April 13, 2006.

Senator Fukunaga, for the Committee on Media, Arts, Science and Technology, presented a report (Stand. Com. Rep. No. 3607) recommending that S.C.R. No. 222, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3607 and S.C.R. No. 222, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REPORT ON THE FEASIBILITY OF CREATING A HAWAII STATE HISTORY MUSEUM," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3608) recommending that S.C.R. No. 56, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3608 and S.C.R. No. 56, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO PREPARE A PLAN TO REDUCE THE STATEWIDE FERAL PIG POPULATION," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3609) recommending that S.R. No. 43, S.D. 1, as amended in S.D. 2, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3609 and S.R. No. 43, S.D. 2, entitled: "SENATE RESOLUTION REQUESTING THAT THE LEGISLATIVE REFERENCE BUREAU STUDY AND EVALUATE THE FEASIBILITY OF

ESTABLISHING AN ECONOMIC REDEVELOPMENT AGENCY FOR THE URBAN CORE OF HONOLULU," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3610) recommending that S.R. No. 119, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3610 and S.R. No. 119, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF AGRICULTURE TO CONDUCT A STUDY TO DETERMINE THE MULTIPLIER EFFECT OF THE AGRICULTURAL INDUSTRY IN HAWAII'S ECONOMY," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3611) recommending that S.R. No. 78, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3611 and S.R. No. 78, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO RECOMMEND SOLUTIONS TO ABATE AND PREVENT THE ACCUMULATION OF SEDIMENT AT WAILOA SMALL BOAT HARBOR AND ALONG HILO BAYFRONT," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3612) recommending that S.R. No. 86 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3612 and S.R. No. 86, entitled: "SENATE RESOLUTION REQUESTING THE COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES OF THE UNIVERSITY OF HAWAII AT MANOA TO STUDY THE FEASIBILITY OF MANDATED OR INCENTIVE BASED VOLUNTARY ROOFTOP LANDSCAPING AND AGRICULTURE IN URBAN DISTRICTS," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3613) recommending that S.C.R. No. 178, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3613 and S.C.R. No. 178, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF AGRICULTURE TO CONDUCT A STUDY TO DETERMINE THE MULTIPLIER EFFECT OF THE AGRICULTURAL INDUSTRY IN HAWAII'S ECONOMY," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3614) recommending that S.C.R. No. 139 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3614 and S.C.R. No. 139, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES OF THE UNIVERSITY OF HAWAII AT MANOA TO STUDY THE FEASIBILITY OF MANDATED OR INCENTIVE BASED VOLUNTARY ROOFTOP LANDSCAPING AND AGRICULTURE IN URBAN DISTRICTS," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3615) recommending that S.C.R. No. 130, S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3615 and S.C.R. No. 130, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO RECOMMEND SOLUTIONS TO ABATE AND PREVENT THE ACCUMULATION OF SEDIMENT AT WAILOA SMALL BOAT HARBOR AND ALONG HILO BAYFRONT," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3616) recommending that S.C.R. No. 66, S.D. 1, as amended in S.D. 2, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3616 and S.C.R. No. 66, S.D. 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE LEGISLATIVE REFERENCE BUREAU STUDY AND EVALUATE THE FEASIBILITY OF ESTABLISHING AN ECONOMIC REDEVELOPMENT AGENCY FOR THE URBAN CORE OF HONOLULU," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3617) recommending that S.C.R. No. 62, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3617 and S.C.R. No. 62, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO PROCLAIM THE SECOND SATURDAY IN OCTOBER AS 'E HO'OLA I NA ALA HELE DAY' - 'TO GIVE LIFE TO THE TRAILS DAY,'" was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3618) recommending that S.C.R. No. 77, S.D. 1, as amended in S.D. 2, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3618 and S.C.R. No. 77, S.D. 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT TWO STUDIES OF RECOMMENDED PROCEDURES THAT WILL ENSURE THAT STATE-FUNDED HEALTH CARE PAYMENTS ADEQUATELY REIMBURSE PROVIDERS WHO PROVIDE SERVICES FOR MEDICAID OR QUEST RECIPIENTS AND INJURED EMPLOYEES UNDER WORKERS COMPENSATION INSURANCE," was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3619) recommending that S.C.R. No. 152, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3619 and S.C.R. No. 152, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT AN INTERIM STUDY OF THE NEED FOR GREATER REGULATION OF THE MEDICAL MALPRACTICE INSURANCE INDUSTRY IN HAWAII AND TO PROPOSE NEEDED REFORMS," was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3620) recommending that S.R. No. 71 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3620 and S.R. No. 71, entitled: "SENATE RESOLUTION REQUESTING A STUDY ON CREATING CONTRIBUTORY AFFORDABLE HOUSING SOLUTIONS THROUGH MANDATED STATE SPECIAL ASSESSMENTS AGAINST REAL PROPERTY AND IMPROVEMENTS THAT ACCRUE TO COMMERCIAL AND INDUSTRIAL LESSORS THROUGH THE EXERCISE OF FULL-TERM EXPIRATORY REVERSION CLAUSES IN GROUND LEASE CONTRACTS ENTERED INTO AFTER DECEMBER 31, 1963," was deferred until Thursday, April 13, 2006.

Senator Menor, for the Committee on Commerce, Consumer Protection and Housing, presented a report (Stand. Com. Rep. No. 3621) recommending that S.C.R. No. 113, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3621 and S.C.R. No. 113, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE ISSUE OF AUTHORIZING PSYCHOLOGISTS WHO HAVE OBTAINED THE APPROPRIATE EDUCATION, TRAINING, AND EXPERIENCE TO PRESCRIBE A LIMITED FORMULARY OF PSYCHOTROPIC MEDICATIONS FOR THE TREATMENT OF MENTAL ILLNESS WHILE PRACTICING IN FEDERALLY QUALIFIED HEALTH CENTERS OR LICENSED HEALTH CLINICS LOCATE IN FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREAS OR IN MENTAL HEALTH PROFESSIONAL SHORTAGE AREAS," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3622) recommending that S.C.R. No. 195 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3622 and S.C.R. No. 195, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE HONOLULU BOARD OF WATER SUPPLY OF THE CITY AND COUNTY OF HONOLULU TO WORK WITH THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII ON THE REPLACEMENT OF THE WAIAHOLE VALLEY WATER SYSTEM AND FOR THE BOARD OF WATER SUPPLY TO ACCEPT DEDICATION OF THE UPGRADED WATER SYSTEM," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3623) recommending that S.C.R. No. 157, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3623 and S.C.R. No. 157, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO NAME THE KOMOHANA RESEARCH AND EXTENSION CENTER'S ADMINISTRATIVE OFFICE WING IN HONOR OF DR. TADASHI HIGAKI," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3624)

recommending that S.R. No. 113, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3624 and S.R. No. 113, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO NAME THE KOMOHANA RESEARCH AND EXTENSION CENTER'S ADMINISTRATIVE OFFICE WING IN HONOR OF DR. TADASHI HIGAKI," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3625) recommending that S.R. No. 130 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3625 and S.R. No. 130, entitled: "SENATE RESOLUTION REQUESTING THE HONOLULU BOARD OF WATER SUPPLY OF THE CITY AND COUNTY OF HONOLULU TO WORK WITH THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII ON THE REPLACEMENT OF THE WAIAHOLE VALLEY WATER SYSTEM AND FOR THE BOARD OF WATER SUPPLY TO ACCEPT DEDICATION OF THE UPGRADED WATER SYSTEM," was deferred until Thursday, April 13, 2006.

Senator Kokubun, for the Committee on Water, Land, and Agriculture, presented a report (Stand. Com. Rep. No. 3626) recommending that S.C.R. No. 98, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3626 and S.C.R. No. 98, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE CITY AND COUNTY OF HONOLULU TO PROCEED WITH CAUTION IN REVIEWING DEVELOPMENTS ON STEEP HILLSIDES WITH POTENTIAL ROCKFALL HAZARDS," was deferred until Thursday, April 13, 2006.

Senators Kokubun, Kim and Ige, for the Committee on Water, Land, and Agriculture, the Committee on Tourism and the Committee on Intergovernmental Affairs, presented a joint report (Stand. Com. Rep. No. 3627) recommending that S.C.R. No. 196, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3627 and S.C.R. No. 196, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION CALLING FOR THE RIGOROUS REEXAMINATION OF THE DEVELOPMENT EXPANSION PLAN AT TURTLE BAY RESORT DUE TO THE PASSAGE OF TIME AND CHANGED CONDITIONS OF THE NORTH SHORE AND THE ISLAND OF OAHU," was deferred until Thursday, April 13, 2006.

Senators Kokubun, Kim and Ige, for the Committee on Water, Land, and Agriculture, the Committee on Tourism and the Committee on Intergovernmental Affairs, presented a joint report (Stand. Com. Rep. No. 3628) recommending that S.R. No. 131, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3628 and S.R. No. 131, S.D. 1, entitled: "SENATE RESOLUTION CALLING FOR THE RIGOROUS REEXAMINATION OF THE DEVELOPMENT EXPANSION PLAN AT TURTLE BAY RESORT DUE TO THE PASSAGE OF TIME AND CHANGED CONDITIONS OF THE NORTH SHORE AND THE ISLAND OF OAHU," was deferred until Thursday, April 13, 2006.

Senators Kokubun and Ige, for the Committee on Water, Land, and Agriculture and the Committee on Intergovernmental

Affairs, presented a joint report (Stand. Com. Rep. No. 3629) recommending that S.C.R. No. 14, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3629 and S.C.R. No. 14, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO SEEK FEDERAL FUNDING TO BE USED FOR PROGRAMS AND MEASURES INTENDED TO PREVENT AND FIGHT AGAINST INVASIVE SPECIES IN HAWAII," was deferred until Thursday, April 13, 2006.

Senators Kokubun and Ige, for the Committee on Water, Land, and Agriculture and the Committee on Intergovernmental Affairs, presented a joint report (Stand. Com. Rep. No. 3630) recommending that S.R. No. 5, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3630 and S.R. No. 5, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO SEEK FEDERAL FUNDING TO BE USED FOR PROGRAMS AND MEASURES INTENDED TO PREVENT AND FIGHT AGAINST INVASIVE SPECIES IN HAWAII," was deferred until Thursday, April 13, 2006.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3631) recommending that S.C.R. No. 81, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3631 and S.C.R. No. 81, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF HUMAN SERVICES TO ELIMINATE THE CONCEPT OF POSITIVE ENROLLMENT FROM THE RECENTLY ISSUED QUEST REQUEST FOR PROPOSAL," was deferred until Thursday, April 13, 2006.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3632) recommending that S.R. No. 52, as amended in S.D. 1, be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3632 and S.R. No. 52, S.D. 1, entitled: "SENATE RESOLUTION URGING THE DEPARTMENT OF HUMAN SERVICES TO ELIMINATE THE CONCEPT OF POSITIVE ENROLLMENT FROM THE RECENTLY ISSUED QUEST REQUEST FOR PROPOSAL," was deferred until Thursday, April 13, 2006.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3633), recommending that S.C.R. No. 205, as amended in S.D. 1, be referred to the Committee on Labor.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 205, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ATTORNEY GENERAL TO PROVIDE A DEFINITIVE LEGAL OPINION REGARDING WHETHER CHAPTERS 383, 386, 392, AND 393 HAWAII REVISED STATUTES, EACH EXCLUDE FROM THE DEFINITION OF 'EMPLOYMENT' THOSE INDIVIDUALS WHO PERFORM ATTENDANT CARE AND DAY CARE SERVICES AUTHORIZED UNDER THE SOCIAL SECURITY ACT, AS AMENDED, IN THE EMPLOY OF PERSONS, INCLUDING CORPORATIONS AND PRIVATE AGENCIES, WHO CONTRACT WITH THE DEPARTMENT OF HUMAN SERVICES AND WHO ARE

THE RECIPIENTS OF SOCIAL SERVICE PAYMENTS," was referred to the Committee on Labor.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 3634), recommending that S.R. No. 135, as amended in S.D. 1, be referred to the Committee on Labor.

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.R. No. 135, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE ATTORNEY GENERAL TO PROVIDE A DEFINITIVE LEGAL OPINION REGARDING WHETHER CHAPTERS 383, 386, 392, AND 393 HAWAII REVISED STATUTES, EACH EXCLUDE FROM THE DEFINITION OF 'EMPLOYMENT' THOSE INDIVIDUALS WHO PERFORM ATTENDANT CARE AND DAY CARE SERVICES AUTHORIZED UNDER THE SOCIAL SECURITY ACT, AS AMENDED, IN THE EMPLOY OF PERSONS, INCLUDING CORPORATIONS AND PRIVATE AGENCIES, WHO CONTRACT WITH THE DEPARTMENT OF HUMAN SERVICES AND WHO ARE THE RECIPIENTS OF SOCIAL SERVICE PAYMENTS," was referred to the Committee on Labor.

At 10:33 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:33 o'clock a.m.

ORDER OF THE DAY

ADOPTION OF RESOLUTIONS

MATTERS DEFERRED FROM FRIDAY, APRIL 7, 2006

Stand. Com. Rep. No. 3427 (S.C.R. No. 31, 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. 31, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN ANALYSIS OF PROPOSED REGULATORY MEASURES REQUIRING PROFESSIONAL LICENSURE OF GENETIC COUNSELORS," was adopted.

Stand. Com. Rep. No. 3428 (S.C.R. No. 120):

On motion by Senator Hee, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.C.R. No. 120, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY ON CREATING CONTRIBUTORY AFFORDABLE HOUSING SOLUTIONS THROUGH MANDATED STATE SPECIAL ASSESSMENTS AGAINST REAL PROPERTY AND IMPROVEMENTS THAT ACCRUE TO COMMERCIAL AND INDUSTRIAL LESSORS THROUGH THE EXERCISE OF FULL-TERM EXPIRATORY REVERSION CLAUSES IN GROUND LEASE CONTRACTS ENTERED INTO AFTER DECEMBER 31, 1963," was adopted.

Stand. Com. Rep. No. 3429 (S.C.R. No. 118, 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. 118, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO CONVENE A TASK FORCE TO RESEARCH AVENUES OF APPROPRIATE FINANCING FOR CAPITAL IMPROVEMENTS FOR FEDERALLY QUALIFIED

HEALTH CENTERS, INCLUDING USE OF REVOLVING LOAN FUNDS," was adopted.

Stand. Com. Rep. No. 3430 (S.C.R. No. 144, 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. 144, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE DEVELOPMENT OF A LONG-TERM CARE INFRASTRUCTURE PLAN FOR HAWAII TO ENSURE PUBLIC SAFETY WHILE SUPPORTING AGING IN PLACE," was adopted.

THIRD READING

MATTERS DEFERRED FROM THURSDAY, APRIL 6, 2006

Stand. Com. Rep. No. 3286 (H.B. No. 1819, H.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3286 was adopted and H.B. No. 1819, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 281, HAWAII REVISED STATUTES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3287 (H.B. No. 1825, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3287 was adopted and H.B. No. 1825, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC INFRACTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3289 (H.B. No. 1955, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3289 was adopted and H.B. No. 1955, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LITTER CONTROL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3291 (H.B. No. 2133, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3291 was adopted and H.B. No. 2133, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL AREA RESERVE SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3292 (H.B. No. 2367, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3292 was adopted and H.B. No. 2367, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS FOR SERVICE PROVIDERS OF THE OFFICE OF YOUTH SERVICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3293 (H.B. No. 2857, H.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3293 was adopted and H.B. No. 2857, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3296 (H.B. No. 1809, H.D. 2, S.D. 2):

On motion by Senator Sakamoto, seconded by Senator Hooser and carried, Stand. Com. Rep. No. 3296 was adopted and H.B. No. 1809, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER'S LICENSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

THIRD READING

MATTERS DEFERRED FROM FRIDAY, APRIL 7, 2006

H.B. No. 2317:

On motion by Senator Baker, seconded by Senator Espero and carried, H.B. No. 2317, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3301 (H.B. No. 1995, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3301 was adopted and H.B. No. 1995, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF A MINOR," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3303 (H.B. No. 3257, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3303 was adopted and H.B. No. 3257, 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 (Menor).

Stand. Com. Rep. No. 3304 (H.B. No. 2286):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3304 was adopted and H.B. No. 2286, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3306 (H.B. No. 2535, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3306 was adopted and H.B. No. 2535, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PROPERTY RIGHTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3307 (H.B. No. 2639, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3307 was adopted and H.B. No. 2639, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO USE OF INTOXICANTS WHILE OPERATING A MOTOR VEHICLE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3308 (H.B. No. 2737, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3308 was adopted and H.B. No. 2737, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HONOPOU DISTRICT OF THE COUNTY OF MAUI," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3309 (H.B. No. 2747, H.D. 2, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3309 was adopted and H.B. No. 2747, H.D. 2, S.D. 1, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3310 (H.B. No. 2772, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3310 was adopted and H.B. No. 2772, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL PROPERTY DAMAGE TO AGRICULTURAL AND AQUACULTURAL PROPERTY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3311 (H.B. No. 3037, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3311 was adopted and H.B. No. 3037, H.D. 1, S.D. 1, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3312 (H.B. No. 1947, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3312 was adopted and H.B. No. 1947, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3313 (H.B. No. 2192, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3313 was adopted and H.B. No. 2192, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3314 (H.B. No. 2410, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3314 was adopted and H.B. No. 2410, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3369 (H.B. No. 2346, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3369 was adopted and H.B. No. 2346, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR DEPARTMENT OF EDUCATION ELECTRICITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

THIRD READING

Stand. Com. Rep. No. 3391 (H.B. No. 1833, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3391 was adopted and H.B. No. 1833, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FIREWORKS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3392 (H.B. No. 1706, H.D. 3, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3392 was adopted and H.B. No. 1706, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ENVIRONMENTAL COVENANTS ACT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3393 (H.B. No. 1871, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3393 was adopted and H.B. No. 1871, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER CREDIT REPORTING AGENCIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3394 (H.B. No. 1977, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3394 was adopted and H.B. No. 1977, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO STRUCTURED SETTLEMENTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3396 (H.B. No. 2287, H.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3396 was adopted and H.B. No. 2287, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3397 (H.B. No. 2901):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3397 was adopted and H.B. No. 2901, entitled: "A BILL FOR AN ACT RELATING TO GARNISHMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3400 (H.B. No. 3018, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 3400 was adopted and H.B. No. 3018, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT EMPLOYEES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3401 (H.B. No. 3244, H.D. 1, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 3401 was adopted and H.B. No. 3244, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO IDENTITY THEFT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 2476:

On motion by Senator Hanabusa, seconded by Senator Hee and carried, H.B. No. 2476, entitled: "A BILL FOR AN ACT RELATING TO STATUTORY REVISION: AMENDING, REENACTING, OR REPEALING VARIOUS PROVISIONS OF THE HAWAII REVISED STATUTES AND THE SESSION LAWS OF HAWAII FOR THE PURPOSE OF

CORRECTING ERRORS AND REFERENCES, CLARIFYING LANGUAGE, AND DELETING OBSOLETE OR UNNECESSARY PROVISIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 237, H.D. 3, S.D. 1:

On motion by Senator Hanabusa, seconded by Senator Hee and carried, H.B. No. 237, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TORTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 2626, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 2626, 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, 24. Noes, none. Excused, 1 (Menor).

H.B. No. 3225, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator Espero and carried, H.B. No. 3225, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 2399, H.D. 2, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 2399, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INTER-ISLAND FERRY SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 2045, H.D. 2, S.D. 1:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 2045, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PERINATAL CARE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 2210, S.D. 1:

On motion by Senator Sakamoto, seconded by Senator Taniguchi and carried, H.B. No. 2210, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PEARLRIDGE ELEMENTARY SCHOOL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 2146, H.D. 1, S.D. 1:

On motion by Senator Kokubun, seconded by Senator Ige and carried, H.B. No. 2146, H.D. 1, S.D. 1, 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, 24. Noes, none. Excused, 1 (Menor).

H.B. No. 3100, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator Espero and carried, H.B. No. 3100, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE FORECLOSURES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

H.B. No. 1920:

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, H.B. No. 1920, entitled: "A BILL FOR AN ACT RELATING TO FINANCIAL LITERACY MONTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3426 (H.B. No. 3194, H.D. 1, S.D. 1):

On motion by Senator Hee, seconded by Senator Inouye and carried, Stand. Com. Rep. No. 3426 was adopted and H.B. No. 3194, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3432 (H.B. No. 2925, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3432 was adopted and H.B. No. 2925, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY-BASED ECONOMIC DEVELOPMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3435 (H.B. No. 1, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3435 was adopted and H.B. No. 1, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3438 (H.B. No. 2619, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3438 was adopted and H.B. No. 2619, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," having been read

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

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

Stand. Com. Rep. No. 3439 (H.B. No. 2848, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3439 was adopted and H.B. No. 2848, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3440 (H.B. No. 2966, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3440 was adopted and H.B. No. 2966, 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, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3441 (H.B. No. 1466, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3441 was adopted and H.B. No. 1466, H.D. 1, S.D. 2, 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 (Menor).

Stand. Com. Rep. No. 3442 (H.B. No. 1843, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3442 was adopted and H.B. No. 1843, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO VOCATIONAL AGRICULTURE EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3445 (H.B. No. 2713, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3445 was adopted and H.B. No. 2713, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR KAWAIAHAO SCHOOL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3447 (H.B. No. 2987, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3447 was adopted and H.B. No. 2987, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR SAINT LOUIS SCHOOL," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3449 (H.B. No. 1821, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3449 was adopted and H.B. No. 1821, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CARE HOMES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3455 (H.B. No. 2836, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3455 was adopted and H.B. No. 2836, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION SECURITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3456 (H.B. No. 3060, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3456 was adopted and H.B. No. 3060, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3457 (H.B. No. 3235, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3457 was adopted and H.B. No. 3235, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE OF HAWAII ENDOWMENT FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3460 (H.B. No. 2211, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3460 was adopted and H.B. No. 2211, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DEFINITIONS FOR WORKERS' COMPENSATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3461 (H.B. No. 2309):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3461 was adopted and H.B. No. 2309, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3462 (H.B. No. 2311, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3462 was adopted and H.B. No. 2311, H.D. 1, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3468 (H.B. No. 2039, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3468 was adopted and H.B. No. 2039, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DECONTAMINATION OF ILLEGAL DRUG MANUFACTURING SITES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3471 (H.B. No. 3259, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3471 was adopted and H.B. No. 3259, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DENTAL HEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3473 (H.B. No. 2669, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3473 was adopted and H.B. No. 2669, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER ENTERPRISE SPECIAL FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3474 (H.B. No. 2075, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3474 was adopted and H.B. No. 2075, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3476 (H.B. No. 2215):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3476 was adopted and H.B. No. 2215, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC PROPERTY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3477 (H.B. No. 2273, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3477 was adopted and H.B. No. 2273, S.D. 1, entitled: "A BILL FOR AN ACT

MAKING EMERGENCY APPROPRIATIONS FOR RISK MANAGEMENT,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3478 (H.B. No. 2275, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3478 was adopted and H.B. No. 2275, S.D. 1, entitled: “A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR ELECTRICITY PAYMENTS STATEWIDE,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3479 (H.B. No. 2423, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3479 was adopted and H.B. No. 2423, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE STATE HIGHWAY FUND,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3480 (H.B. No. 2637, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3480 was adopted and H.B. No. 2637, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO TRANSPORTATION,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3484 (H.B. No. 3123, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3484 was adopted and H.B. No. 3123, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HURRICANE PREPAREDNESS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3489 (H.B. No. 2278, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3489 was adopted and H.B. No. 2278, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR THE DEPARTMENT OF THE ATTORNEY GENERAL,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3490 (H.B. No. 2303, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3490 was adopted and H.B. No. 2303, H.D. 1, entitled: “A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3491 (H.B. No. 2540, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3491 was adopted and H.B. No. 2540, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR INCREASING STIPENDS FOR VOLUNTEER PRECINCT OFFICIALS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3492 (H.B. No. 2595, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3492 was adopted and H.B. No. 2595, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO FAMILY VISITS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3493 (H.B. No. 2625, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3493 was adopted and H.B. No. 2625, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO UNIFORM STATE LAWS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3494 (H.B. No. 1880, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3494 was adopted and H.B. No. 1880, 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 (Menor).

Stand. Com. Rep. No. 3496 (H.B. No. 2763, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3496 was adopted and H.B. No. 2763, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION TO ERADICATE AND CONTROL THE COQUI FROG,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3497 (H.B. No. 2771, H.D. 2, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3497 was adopted and H.B. No. 2771, H.D. 2, S.D. 1, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AN AGRICULTURAL PARK IN ROYAL KUNIA,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3498 (H.B. No. 2774, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3498 was adopted and H.B. No. 2774, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3499 (H.B. No. 2805, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3499 was adopted and H.B. No. 2805, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE PLANNING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3500 (H.B. No. 2806, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3500 was adopted and H.B. No. 2806, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SUSTAINABILITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3501 (H.B. No. 2878, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3501 was adopted and H.B. No. 2878, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST TRADEWINDS FOREST PRODUCTS, LLC," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3502 (H.B. No. 2974, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3502 was adopted and H.B. No. 2974, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3503 (H.B. No. 3056, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3503 was adopted and H.B. No. 3056, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO KAWAI NUI MARSH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3506 (H.B. No. 2315, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3506 was adopted and H.B. No. 2315, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3507 (H.B. No. 2319, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3507 was adopted and H.B. No. 2319, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3508 (H.B. No. 2964, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3508 was adopted and H.B. No. 2964, H.D. 1, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3509 (H.B. No. 2991, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3509 was adopted and H.B. No. 2991, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3510 (H.B. No. 3067, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3510 was adopted and H.B. No. 3067, H.D. 2, S.D. 2, 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 (Menor).

Stand. Com. Rep. No. 3514 (H.B. No. 3217, H.D. 1, S.D. 1):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3514 was adopted and H.B. No. 3217, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO KUPUNA RECOGNITION DAY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3517 (H.B. No. 1021, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3517 was adopted and H.B. No. 1021, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," having been read

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

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

Stand. Com. Rep. No. 3521 (H.B. No. 3087, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3521 was adopted and H.B. No. 3087, H.D. 2, S.D. 2, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3523 (H.B. No. 2271, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3523 was adopted and H.B. No. 2271, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3524 (H.B. No. 2555, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3524 was adopted and H.B. No. 2555, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3525 (H.B. No. 2587, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3525 was adopted and H.B. No. 2587, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MARINE RESOURCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3532 (H.B. No. 2153, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3532 was adopted and H.B. No. 2153, H.D. 2, 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, 24. Noes, none. Excused, 1 (Menor).

Stand. Com. Rep. No. 3533 (H.B. No. 3105, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3533 was adopted and H.B. No. 3105, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PSYCHOTROPIC MEDICATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3537 (H.B. No. 3036, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3537 was adopted and H.B. No. 3036, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

At 10:34 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:07 o'clock a.m.

THIRD READING

Stand. Com. Rep. No. 3450 (H.B. No. 2043, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3450 be adopted and H.B. No. 2043, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Chun Oakland then offered the following amendment (Floor Amendment No. 8) to H.B. No. 2043, H.D. 2, S.D. 2:

SECTION 1. House Bill No. 2043, H.D.2, S.D. 2, is amended to read as follows:

1. By designating sections 1 and 2 of the bill as "PART I."

2. By adding a new part to the bill to be designated as PART II and to read as follows:

"PART II

SECTION 3. Section 346-59, Hawaii Revised Statutes, is amended to read as follows:

"**§346-59 Medical care payments.** (a) The department shall adopt rules under chapter 91 concerning payment to providers of medical care. The department shall determine the rates of payment due to all providers of medical care, and pay such amounts in accordance with the requirements of the appropriations act and the Social Security Act, as amended. Payments to critical access hospitals for services rendered to medicaid beneficiaries shall be calculated on a cost basis using medicare reasonable cost principles.

(b) Rates of payment to providers of medical care who are individual practitioners, including doctors of medicine, dentists, podiatrists, psychologists, osteopaths, optometrists, and other individuals providing services, shall be based upon the Hawaii medicaid fee schedule. The amounts paid shall not exceed the maximum permitted to be paid individual practitioners or other individuals under federal law and regulation, the medicare fee schedule for the current year, the state limits as provided in the appropriation act, or the provider's billed amount.

The appropriation act shall indicate the percentage of the medicare fee schedule for the year 2000 to be used as the basis for establishing the Hawaii medicaid fee schedule. For any subsequent adjustments to the fee schedule, the legislature shall specify the extent of the adjustment in the appropriation act.

(c) In establishing the payment rates for other noninstitutional items and services, the rates shall not exceed the current medicare payment, the state limits as provided in the appropriation act, the rate determined by the department, or the provider's billed amount.

(d) Payments to health maintenance organizations and prepaid health plans with which the department executes risk

contracts for the provision of medical care to eligible public assistance recipients may be made on a prepaid basis. The rate of payment per participating recipient shall be fixed by contract, as determined by the department and the health maintenance organization or the prepaid health plan, but shall not exceed the maximum permitted by federal rules and shall be less than the federal maximum when funds appropriated by the legislature for such contracts require a lesser rate. For purposes of this subsection, "health maintenance organizations" are entities approved as such, and "prepaid health plans" are entities designated as such by the Department of Health and Human Services; and "risk" means the possibility that the health maintenance organization or the prepaid health plan may incur a loss because the cost of providing services may exceed the payments made by the department for services covered under the contract.

(e) The department shall prepare each biennial budget request for a medical care appropriation based upon the most current Hawaii medicaid fee schedule available at the time the request is prepared.

The director shall submit a report to the legislature on or before January 1 of each year indicating an estimate of the amount of money required to be appropriated to pay providers at the maximum rates permitted by federal and state rules in the upcoming fiscal year.

(f) The department shall not require an enrolled member of the QUEST program to re-enroll and select a QUEST health plan unless the QUEST health plan ceases to actively continue providing services and coverage to its members."

3. By designating and amending sections 3 and 4 to read as follows:

"PART III

SECTION [3-] 4. New statutory material is underscored.

SECTION [4.] 5. This Act shall take effect on July 1, 2050[-]; provided that section 3 shall take effect on approval and apply retroactively to March 1, 2006."

Senator Chun Oakland moved that Floor Amendment No. 8 be adopted, seconded by Senator Ihara.

Senator Chun Oakland rose in support of the amendment and stated:

"Mr. President, with regards to this floor amendment, in a recently issued request for a proposal for the Quest program, the Department of Human Services proposes a concept of positive enrollment, which would require 165,000 individuals currently enrolled in Quest to affirmatively re-enroll in the plan and select a primary care physician. Those who do not respond to the auto-assignment will be auto-assigned to a health plan according to an approved algorithm.

"There is a unified consensus from providers of health services that this particular provision within the current RFP would be very detrimental to the members of the Quest program. This provision would prohibit DHS from having that provision in the request for proposal.

"Also, I wanted to note that the retroactive date in part three of the floor amendment basically insures that there is no gap in coverage for the Quest recipients. Thank you."

Senator Hemmings rose and said:

"Mr. President, could the record reflect my opposition."

The Chair so ordered.

The motion to adopt Floor Amendment No. 8 was put by the Chair and carried with Senator Hemmings voting "No."

Senator Chun Oakland then moved that Stand. Com. Rep. No. 3450 be received and placed on file, seconded by Senator Ihara and carried.

By unanimous consent, H.B. No. 2043, H.D. 2, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," was placed on the calendar for Third Reading on Thursday, April 13, 2006.

THIRD READING

MATTER DEFERRED FROM FRIDAY, APRIL 7, 2006

H.B. No. 1900, H.D. 1, S.D. 1:

Senator Taniguchi moved that H.B. No. 1900, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hemmings then offered the following amendment (Floor Amendment No. 9) to H.B. No. 1900, H.D. 1, S.D. 1:

Section 1. H.B. No. 1900, H.D. 1, S.D. 1, is amended by adding a new item under program ID LNR141 in Section 5 to be appropriately inserted and to read as follows:

"8.02. J32 WAIMANALO WASTEWATER TREATMENT PLANT IMPROVEMENTS, OAHU

CONSTRUCTION FOR INCREMENTAL IMPROVEMENTS TO MEET WATER QUALITY STANDARDS, INCLUDING INJECTION WELLS, FILTER STRUCTURES AND FILTER CELLS, DISINFECTION MIXING AND CONTACT CHAMBER, DISSOLVED AIR FLOTATION THICKENER, CLARIFIERS, PUMP STATION, FLOOD PROOFING, EQUALIZATION BASIN SYSTEM UPGRADES, TERTIARY TREATMENT, AND OTHER RELATED WORK.

<u>CONSTRUCTION</u>			<u>10,000</u>
<u>TOTAL FUNDING</u>	<u>LNR</u>	<u>C</u>	<u>10,000C</u> "

SECTION 2. H.B. No. 1900, H.D. 1, S.D. 1, is amended by amending Section 3, F. Social Services, item 43, program ID HMS903 – General Support For Benefits, Employment, and Support Services, by replacing the amount of \$35,502,355N with \$67,698,933N.

SECTION 3. H.B. No. 1900, H.D. 1, S.D. 1, Section 7 is amended by amending item (2) to read as follows:

"(2) By ~~repealing~~ amending section 156[:] to read:

"SECTION 156. Provided that of the federal fund appropriation for the department of human services there is appropriated current year federal Temporary Assistance for Needy Families (TANF) funds, which are federal TANF funds from the current federal fiscal year's block grant, the sum of \$63,904,788, or so much thereof as may be necessary, for fiscal year 2005-2006, and the ~~[same sum.]~~ the sum of \$98,904,788, or so much thereof as may be necessary, for fiscal year 2006-2007 for the purposes of implementing the TANF program, its associated programs, and transfers to other programs."

SECTION 4. H.B. No. 1900, H.D. 1, S.D. 1, Section 7 is amended by deleting items (3) to (9) and item (11).

SECTION 5. H.B. No. 1900, H.D. 1, S.D. 1, is amended by amending Section 7 by deleting items (3), (4), (5), (6), (7), (8), (9), and (11), and renumbering items (10), (12), (13), (14), (15), and (16), and (17) as (3), (4), (5), (6), (7), (8), and (9), respectively.

Senator Hemmings moved that Floor Amendment No. 9 be adopted, seconded by Senator Hogue.

Senator Hemmings rose on a conflict ruling as follows:

“Mr. President, first I’d like to get a ruling from the Chair regarding a possible conflict. My wife is a part-time employee of one of the organizations that’s a beneficiary of TANF funds.”

The Chair ruled that Senator Hemmings was not in conflict.

Senator Hemmings continued in support of the amendment and said:

“You might ask, and all of you might ask why I would move to amend the budget on the Floor before it goes to Conference Committee. There are several reasons, not the least of which is that in Conference Committee it is pretty much an event that is driven by the Chairs in which the participants – Ways and Means and Finance Committee members – are there to validate what the Chairs have decided. Hence, the opportunity to amend it before Conference would send a strong signal that this Legislature is indeed in favor of more accountability in the process, number one, and more money being spent where it should be spent in the state budget.

“I would like to tell my colleagues that this is an effort to improve the budget, hopefully, for two areas that are near and dear to all our hearts. This is not an adversarial amendment; rather it’s a pro budget amendment.

“The first portion of the amendment would reinstate, by eliminating provisos in the budget and putting money back in, approximately \$26 million of TANF funds, temporary assistance for needy families, that has been taken out of the budget unilaterally. It is my understanding from the Committee Chair that this money is taken out and put into a, quote, unquote, ‘rainy day fund.’

“The unfortunate truth of the matter is, unless the money is spent on preventative initiatives as it originally proposed, when it is held in a fund it can only be spent on subsidies to welfare recipients who are employed. I would also like to point out that there is presently \$140 million of unused money, federal money, sitting in the fund.

“I would like to point out to my colleagues that cutting federal funding is not unprecedented. In this Legislature or in this Senate two years ago, there was an effort to cut the federal funding for positions within the Department of Health. We passed that and we had to go back later and amend another bill to reinstate them. I would suggest that this has the same convoluted rationale. The point being, and I hope that my colleagues listen real closely, this money is federal money that’s being spent in many of your districts to preempt welfare, to preempt teen pregnancy, to assist in family outreach, to preempt violence, to intercept children that are in peril that would maybe have to go into child protective services and foster care, which costs the state millions of dollars. So, this is a very positive amendment that will put federal money, not local tax money, back into the budget.

“Let me talk about where some of this money is going. Remember, there is \$26 million by the provisos and by the budget amendments that are being taken out of the budget of

federal money that could be used to help our local people who are in need of assistance. Some of it is going to the Department of Education to provide teen pregnancy counseling, Kapiolani Medical Center teen pregnancy prevention, pregnancy prevention training at the University of Hawaii Outreach College, and the University School of Medicine. Other beneficiary organizations include Uplink, the Department of Education on Molokai, the same program on Kauai, human services and social services statewide, Children and Parents Together in Kalihi, Kokua Kalihi Valley, Susannah Wesley Community Center, Teen Pregnancy Family Strengthening for Boys and Girls in Ewa Beach, the same organization receiving funding from TANF in Nanakuli, Salvation Army in Keau on the Big Island, Teen Pregnancy Strengthening in Pahoa, Salvation Army in Hilo, Hale Kipa at Kawanakoa School, Hale Kipa at Stevenson School, Hui Malama Boys and Girls Club on Kauai, and child abuse prevention in the Department of Human Services. Additional funds would go to neighborhood places statewide for Hawaii’s advocacy program, the program partners with child welfare services in a branch of the Office of Youth Services; \$3.2 million for enhanced healthy start services, of course this is the program that helps children between birth and the first year of life with health problems in families that are poor.

“Colleagues, I could go on and on and on. You’re cutting this money, federal money not out of the local taxpayer’s pocket directly, but out of the federal budget, for what? To put it in a rainy day fund where it can only be used to subsidize welfare? I would suggest that this money could be better used immediately to continue funding these welfare programs.

“If you vote in favor of this amendment, you’re voting in favor of helping the poorest amongst us in dealing with serious problems such as teen pregnancy, dependency on welfare, avoiding abuse, and strengthening the family. If you vote against it, you’re voting against human service programs in your districts and you’re throwing away federal money and putting it in a fund that is not needed.

“The second area of this budget amendment has to do with Waimanalo Wastewater Plant. The Governor put money into it two years ago to improve the Waimanalo Wastewater Plant. It passed the House with flying colors, and low and behold, the Senate, for reasons I don’t understand, cut the money. This is not pork for my district. We all had concerns about wastewater and what’s happening. The many Hawaiian’s in Waimanalo safety, health, and maybe even their lives will be jeopardized. If their immune systems are weak and they happen to get into water with sewage in it, they face the possible fate of the young man who fell in the Ala Wai. We have committed money to fixing this wastewater plant. In order to finish it, \$10 million is needed. This money has been eliminated.

“I would suggest to my colleagues to reinstate this money. The first thing we would do is we would protect people from having to swim in or be exposed to water that’s been contaminated by sewage. I want to emphasize that Waimanalo has Hawaiian homes in it and many other programs that serve the Hawaiian community and they, for the life of me, cannot understand why this money was taken out.

“I will, for the record, let you know that the money last year was reinstated in Conference Committee but I suspect it was more of a political move than a good will move.

“I will also let our colleagues know that you can bet there are going to be lawsuits concerning irresponsibility when it comes to managing the most basic resources such as wastewater management, and this money would go a long way in preempting that.

"I would hope that we can put aside the partisan labels and look at the issues that we're dealing with here and vote in favor of this amendment. Obviously, something could be done in Conference Committee, but I would rather not leave it to the fate of the Conference Committee Chairs. I would rather us all have a hand in a very open and democratic manner by voting on these amendments and voting affirmative.

"Thank you, Mr. President. Could I call for a Roll Call vote?"

Senator Taniguchi rose in opposition to the amendment and said:

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

"Rather than go point by point on some of the somewhat confusing argument of my colleague from Waimanalo, I guess what I would say is that the budget bill will be in Conference. We will have additional discussion on these issues. I guess the Waimanalo Wastewater Treatment appropriation which was in Section 1 of the amendment is a matter that we have provided resources for in the past. There's some question to the amount provided, I think \$18 million last year. At that time it was said that it would be sufficient to cover all expenses and that's what we're raising at this point with regard to Waimanalo Wastewater Treatment Plant improvements.

"With regard to TANF, I'm not sure if the Chair of the Human Services Committee is going to say anything but this is an ongoing discussion. I think the feeling of the Ways and Means Committee generally was that we would like to have some reserve. I think that's what he's talking about with the rainy day money but I'm not really clear. We retain a reserve in TANF because we're concerned that because of the war and the federal government's cost and spending that we may not have additional TANF authorizations in the future or they would be more limited. And so, part of it is to retain a reserve so that in the future we may be able to take care of the poor people that my colleague from Waimanalo refers to.

"So, I would ask my colleagues to vote 'no' on this amendment. Thank you."

Senator Hemmings rose in rebuttal and said:

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

"With all due respect to the Chairman of the Ways and Means Committee, the reserve fund or the rainy day fund, or whatever you want to call it, is the problem. The very reason we should vote in favor of this amendment is because putting the money in the reserves eliminates – eliminates – its use in any other area. There are restrictions put on by the federal government on the use of these funds and unless they're used in the areas that I just delineated in my talk in favor of it, it goes into a reserve fund that can only be used for cash payments to welfare recipients.

"So basically, what you're making a choice here between is paying people cash to be dependent upon welfare checks or spending the money now in all the programs I've outlined in your districts that are going to assist people from not being abused, from not having to go on welfare, from getting a job and all the other programs that TANF has been able to fund.

"I might add I'm tremendously proud of Lillian Koller in the Department of Human Services. The state has received approximately \$99 million a year since 1995 in TANF programs and only this director has taken the money and put it

into the marketplace to help people from being on welfare, from getting abused, from getting pregnant, from getting beat up.

"Please, please, pass these amendments. Go back to the people in Keau, to Kauai, to all the human service programs that are receiving this fund and ask them about it, because the money is put into this reserve, it is not going to be able to help them or the people that we are elected to serve.

"Secondly, in the reserve fund there is currently \$140 million. Thank you, Mr. President."

Senator Chun Oakland rose in opposition to the amendment and said:

"Mr. President, I speak in opposition to this floor amendment.

"I believe the intent is very noble and I appreciate the former speaker's interest in TANF and the support that he has publicly made in this regard. We do have a Senate bill that is a temporary assistance to needy family bill that will be coming back to the Senate and that outlines quite a bit of what he spoke of in terms of the programs that could be funded through TANF. I think there is a general concern that has been expressed by the money committees that the reserve, which is I believe \$114 million over three years if we go with the expenditure of \$35 million per year, would basically be eliminated. So, we don't necessarily want to go that route.

"I know there is openness about general funds potentially funding some of these programs. I think the state has to make a much greater commitment with our state general funds, but I know that there is ongoing discussion. I know the Chair of Ways and Means is open to this and he has expressed that to me. Thank you very much, Mr. President."

At 11:25 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:25 o'clock a.m.

The motion to adopt Floor Amendment No. 9 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 Taniguchi rose to speak in support of the measure and said:

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

"Mr. President, H.B. No. 1900, S.D. 1, represents the Senate's version of the 2007 supplemental 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 instrumental in the development of this measure – first, would be my hardworking staff, some of whom have joined us in the gallery this morning. With your permission, Mr. President, I would like to ask them to rise and be recognized. (Members of the Ways and Means who were seated in the gallery rose to be recognized.) Next would be my colleagues on the Ways and Means Committee. I would like to personally thank them for their patience in sitting through our long budget hearings, for their spirited debates, and most of all for their continued support

in me as Chair. I would also like to thank you, Mr. President, and all the Senate Committee Chairs for your input and guidance. Finally, I would like to acknowledge my family, the sacrifices my family makes, especially my wife Jan. I guess sometimes not spending time with me is not necessarily a sacrifice, but I'd like to acknowledge her guidance in helping me do my work.

"Mr. President, as is usual and customary for me, I would like to address this measure with very little fanfare. However, it is not my intent to minimize the importance of this measure as it represents a significant piece of the financial plan that we all want to develop. With regards to the appropriations, this measure continues to do what we have done consistently over the years – provide much needed resources to very crucial government programs.

"We have once again demonstrated our commitment to the state's greatest resource – our children. Toward this end, we have placed emphasis on ensuring that our public schools continue to receive the much needed resources to provide a quality learning experience. In this regard we provided an additional \$112 million in general funds and \$302 million in capital improvements to the Department of Education. This commitment also includes supporting the university as it plays an integral role in charting Hawaii's future. With that in mind, we provided an additional \$30 million in general funds and \$86 million in capital improvements to the University of Hawaii.

"We have balanced our dedication to education by providing for the basic needs of our citizens as well. We have provided substantial increases in general funds for other departments in the following amounts: \$63 million in general funds and \$11 million in capital improvements for the Department of Human Services; \$17 million in general funds and \$18 million in capital improvements for the Department of Health; and \$15 million in general funds and \$14 million in capital improvements for the Department of Public Safety.

"Despite strong economic indicators and positive revenue projections by the Council on Revenues, we are aware that there will always be unforeseen future costs to the state and have therefore taken a prudent approach to providing financial resources that may help prevent budget shortfalls in the future.

"Mr. President, as we head into Conference, I would like to remind my colleagues that this bill is just a work in progress and our vote on today's budget does not close the door on further deliberations. On that note, Mr. President, I ask my colleagues to continue to support me and remain patient as we enter the final weeks of this Session. Thank you."

The motion to pass H.B. No. 1900, H.D. 1, S.D. 1, on Third Reading was then put by the Chair and carried, H.B. No. 1900, 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, 25. Noes, none.

THIRD READING

Stand. Com. Rep. No. 3512 (H.B. No. 2419, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3512 be adopted and H.B. No. 2419, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Fukunaga then offered the following amendment (Floor Amendment No. 10) to H.B. No. 2419, H.D. 1, S.D. 2:

SECTION 1. H.B. No. 2419, S.D. 2, is amended by designating sections 1 through 12 as part I.

SECTION 2. H.B. No. 2419, S.D. 2, is amended by adding thirty-one new sections, designating these new sections as Part II, numbering these new sections as sections 13 through 43, and to read as follows:

"PART II

SECTION 13. The purpose of this part is to adopt changes to Hawaii's tax law that will allow Hawaii to participate in the streamlined sales and use tax agreement. By enacting the Hawaii Simplified Sales and Use Tax Administration Act, Act 173, Session Laws of Hawaii 2003, the State of Hawaii became a participating member of the National Streamlined Sales Tax Project.

In furtherance of the State's efforts to comply with the terms and conditions of the conforming legislation reflected in the Streamlined Sales Tax Project's model agreement and act, the Hawaii state legislature enacted Act 3, Special Session Laws of Hawaii 2005. Act 3, in part, establishes a technical advisory group to assist the state department of taxation in identifying and resolving issues necessary for Streamlined Sales Tax Project compliance. In addition, a joint house-senate legislative oversight committee has been formed to provide additional tax policy support and guidance. This part is a culmination of these efforts.

In order to participate in the streamlined sales and use tax agreement, Hawaii must amend its tax law in conformity with the streamlined sales and use tax agreement. To conform, Hawaii must adopt a single rate of general excise tax, Hawaii's substitute for a sales tax. In accordance with advice received from the Streamlined Sales Tax Governing Board and COST, a national organization representing businesses, this was accomplished by:

- (1) Moving the one-half of one per cent tax rate for wholesale transactions to a new chapter;
- (2) Adding a new chapter on the taxation of imports of property, services, and contracting;
- (3) Moving the 0.15 per cent tax on insurance producers to a new chapter; and
- (4) Eliminating the tax on businesses owned by disabled persons.

This part also provides for destination-based sourcing and amnesty.

SECTION 14. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER TAX ON WHOLESALERS, SERVICE BUSINESSES, AND CONTRACTORS

§A-1 Definitions; "business", "gross income". The definitions contained in sections 237-1, 237-2, and 237-3 shall apply to this chapter.

§A-2 "Wholesaler" and "jobber" defined. (a) "Wholesaler" or "jobber" applies only to a person making sales at wholesale. Only the following are sales at wholesale:

- (1) Sales to a licensed retail merchant, jobber, or other licensed seller for purposes of resale;
- (2) Sales to a licensed manufacturer of materials or commodities that are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) during the course of its preservation, manufacture, or processing, including preparation for market, and that will remain in a finished or saleable product in a form as to be perceptible to the senses, which finished or saleable product is to be sold and not otherwise used by the manufacturer;

- (3) Sales to a licensed producer or cooperative association of materials or commodities that are to be incorporated by the producer or by the cooperative association into a finished or saleable product that is to be sold and not otherwise used by the producer or cooperative association, including specifically materials or commodities expended as essential to the planting, growth, nurturing, and production of commodities that are sold by the producer or by the cooperative association;
- (4) Sales to a licensed contractor of materials or commodities that are to be incorporated by the contractor into the finished work or project required by the contract and that will remain in a finished work or project in a form as to be perceptible to the senses;
- (5) Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to a licensed producer, or to a licensed person operating a feed lot, of poultry or animal feed, hatching eggs, semen, replacement stock, breeding services for the purpose of raising or producing animal or poultry products for disposition as described in section A-3 or for incorporation into a manufactured product as described in paragraph (2) or for the purpose of breeding, hatching, milking, or egg laying other than for the customer's own consumption of the meat, poultry, eggs, or milk so produced; provided that in the case of a feed lot operator, only the segregated cost of the feed furnished by the feed lot operator as part of the feed lot operator's service to a licensed producer of poultry or animals to be butchered or to a cooperative association described in section 237-23(a)(7) of these licensed producers shall be deemed to be a sale at wholesale; and provided further that any amount derived from the furnishing of feed lot services, other than the segregated cost of feed, shall be deemed taxable at the service business rate specified in section A-6(a)(5). This paragraph shall not apply to the sale of feed for poultry or animals to be used for hauling, transportation, or sports purposes;
- (6) Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to the producer, of seed or seedstock for producing agricultural and aquacultural products, or bait for catching fish (including the catching of bait for catching fish), which agricultural and aquacultural products or fish are to be disposed of as described in section A-3 or to be incorporated in a manufactured product as described in paragraph (2);
- (7) Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to a licensed producer; of polypropylene shade cloth; of polyfilm; of polyethylene film; of cartons and other containers, wrappers, and sacks, and binders to be used for packaging eggs, vegetables, fruits, and other agricultural and aquacultural products; of seedlings and cuttings for producing nursery plants or aquacultural products; or of chick containers; which cartons and other containers, wrappers, and sacks, binders, seedlings, cuttings, and containers are to be used as described in section A-3, or to be incorporated in a manufactured product as described in paragraph (2);
- (8) Sales of tangible personal property where:
- (A) Tangible personal property is sold upon the order or request of a licensed seller for the purpose of rendering a service in the course of the person's service business or calling, or upon the order or request of a person subject to tax under section 237D-2 for the purpose of furnishing transient accommodations;
- (B) The tangible personal property becomes or is used as an identifiable element of the service rendered; and
- (C) The cost of the tangible personal property does not constitute overhead to the licensed seller;
- (9) Sales to a licensed leasing company of capital goods that have a depreciable life, are purchased by the leasing company for lease to its customers, and are thereafter leased as a service to others;
- (10) Sales of services to a licensed seller engaging in a business or calling whenever:
- (A) Either:
- (i) In the context of a service-to-service transaction, a service is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling;
- (ii) In the context of a service-to-tangible personal property transaction, a service is rendered upon the order or request of a licensed seller for the purpose of manufacturing, producing, or preparing tangible personal property to be sold;
- (iii) In the context of a services-to-contracting transaction, a service is rendered upon the order or request of a licensed contractor as defined in section 237-6 for the purpose of assisting that licensed contractor; or
- (iv) In the context of a services-to-transient accommodations rental transaction, a service is rendered upon the order or request of a person subject to tax under section 237D-2 for the purpose of furnishing transient accommodations;
- (B) The benefit of the service passes to the customer of the licensed seller, licensed contractor, or person furnishing transient accommodations as an identifiable element of the other service or property to be sold, the contracting, or the furnishing of transient accommodations;
- (C) The cost of the service does not constitute overhead to the licensed seller, licensed contractor, or person furnishing transient accommodations;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, contractor, or person furnishing transient accommodations for imposition of the tax under this chapter or chapter 237;
- (E) The gross income of the licensed seller is not subject to a deduction under this chapter, chapter 237, or chapter 237D; and
- (F) The resale of the service, tangible personal property, contracting, or transient accommodations is subject to the tax imposed under this chapter or chapter 237;
- (11) Sales to a licensed retail merchant, jobber, or other licensed seller of bulk condiments or prepackaged single-serving packets of condiments that are provided to customers by the licensed retail merchant, jobber, or other licensed seller;
- (12) Sales to a licensed retail merchant, jobber, or other licensed seller of tangible personal property that will be incorporated or processed by the licensed retail merchant, jobber, or other licensed seller into a finished or saleable product during the course of its preparation for market (including disposable, nonreturnable containers, packages, or wrappers, in which the product is contained and that are generally known and most commonly used to contain food or beverage for transfer

- or delivery), and which finished or saleable product is to be sold and not otherwise used by the licensed retail merchant, jobber, or other licensed seller;
- (13) Sales of amusements subject to taxation under section A-6(a)(3) to a licensed seller engaging in a business or calling whenever:
- (A) Either:
- (i) In the context of an amusement-to-service transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling;
 - (ii) In the context of an amusement-to-tangible personal property transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of selling tangible personal property; or
 - (iii) In the context of an amusement-to-amusement transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another amusement in the course of the person's amusement business;
- (B) The benefit of the amusement passes to the customer of the licensed seller as an identifiable element of the other service, tangible personal property to be sold, or amusement;
- (C) The cost of the amusement does not constitute overhead to the licensed seller;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, person furnishing transient accommodations, or person rendering an amusement for imposition of the tax under chapter 237;
- (E) The gross income of the licensed seller is not subject to a deduction under this chapter or chapter 237; and
- (F) The resale of the service, tangible personal property, or amusement is subject to the tax imposed under this chapter or chapter 237. As used in this paragraph, "amusement" means entertainment provided as part of a show for which there is an admission charge; and
- (14) Sales by a printer to a publisher of magazines or similar printed materials containing advertisements, when the publisher is under contract with the advertisers to distribute a minimum number of magazines or similar printed materials to the public or defined segment of the public, whether or not there is a charge to the persons who actually receive the magazines or similar printed materials.
- (b) If the use tax law under chapter B is finally held by a court of competent jurisdiction to be unconstitutional or invalid insofar as it purports to tax the use or consumption of tangible personal property imported into the State in interstate or foreign commerce, or both, wholesalers and jobbers shall be taxed thereafter under this chapter in accordance with the following definition (which shall supersede the preceding subsection otherwise defining "wholesaler" or "jobber"): "Wholesaler" or "jobber" means a person, or a definitely organized division thereof, definitely organized to render and rendering a general distribution service that buys and maintains at the person's place of business a stock or lines of merchandise that the person distributes; and that the person, through salespersons, advertising, or sales promotion devices, sells to licensed retailers, to institutional, or licensed commercial or industrial users, in wholesale quantities and at wholesale rates. A corporation deemed not to be carrying on a trade or business in this State under section 235-6 shall nevertheless be deemed to be a wholesaler and shall be subject to the tax imposed by this chapter.
- §A-3 "Producer" defined.** (a) "Producer" means any person engaged in the business of raising and producing agricultural products in their natural state, or in producing natural resource products, or engaged in the business of fishing or aquaculture, for sale, or for shipment or transportation out of the State, of the agricultural or aquaculture products in their natural or processed state, or butchered and dressed, or the natural resource products, or fish.
- (b) As used in this section, "agricultural products" include floricultural, horticultural, viticultural, forestry, nut, coffee, dairy, livestock, poultry, bee, animal, and any other farm, agronomic, or plantation products.
- §A-4 Definitions; "contractor", "service business or calling".** The definitions contained in sections 237-6 and 237-7 shall be applicable for this chapter.
- §A-5 Administrative provisions.** Sections 237-8, 237-9, 237-9.5, 237-11, and 237-12 shall be applicable for this chapter.
- §A-6 Imposition of tax.** (a) There is hereby levied and shall be assessed and collected annually privilege taxes against persons on account of their business and other activities in the State measured by the application of rates against values of products, gross proceeds of sales, or gross income, whichever is specified, as follows:
- (1) Tax on manufacturers:
 - (A) Upon every person engaging or continuing within the State in the business of manufacturing, including compounding, canning, preserving, packing, printing, publishing, milling, processing, refining, or preparing for sale, profit, or commercial use, either directly or through the activity of others, in whole or in part, any article or articles, substance or substances, commodity or commodities, the amount of the tax to be equal to the value of the articles, substances, or commodities, manufactured, compounded, canned, preserved, packed, printed, milled, processed, refined, or prepared for sale, as shown by the gross proceeds derived from the sale thereof by the manufacturer or person compounding, preparing, or printing them, multiplied by one-half of one per cent;
 - (B) The measure of the tax on manufacturers is the value of the entire product for sale, regardless of the place of sale or the fact that deliveries may be made to points outside the State;
 - (C) If any person liable for the tax on manufacturers ships or transports the person's product, or any part thereof, out of the State, whether in a finished or unfinished condition, or sells the same for delivery to points outside the State (for example, consigned to a mainland purchaser via common carrier f.o.b. Honolulu), the value of the products in the condition or form in which they exist immediately before entering interstate or foreign commerce, determined as hereinafter provided, shall be the basis for the assessment of the tax imposed by this paragraph. This tax shall be due and payable as of the date of entry of the products into interstate or foreign commerce, whether the products are then sold or not. The department shall determine the basis for assessment, as provided by this paragraph, as follows:
 - (i) If the products at the time of their entry into interstate or foreign commerce already have been sold, the gross proceeds of sale, less the transportation expenses, if any, incurred in realizing the gross proceeds for transportation from the time of entry of the products into interstate or foreign

- commerce, including insurance and storage in transit, shall be the measure of the value of the products;
- (ii) If the products have not been sold at the time of their entry into interstate or foreign commerce, and in cases governed by clause (i) in which the products are sold under circumstances such that the gross proceeds of sale are not indicative of the true value of the products, the value of the products constituting the basis for assessment shall correspond as nearly as possible to the gross proceeds of sales for delivery outside the State, adjusted as provided in clause (i), or if sufficient data are not available, sales in the State, of similar products of like quality and character and in similar quantities, made by the taxpayer (unless not indicative of the true value) or by others. Sales outside the State, adjusted as provided in clause (i), may be considered when they constitute the best available data. The department of taxation shall prescribe uniform and equitable rules for ascertaining the values;
- (iii) At the election of the taxpayer and with the approval of the department of taxation, the taxpayer may make the taxpayer's returns under clause (i) even though the products have not been sold at the time of their entry into interstate or foreign commerce; and
- (iv) In all cases in which products leave the State in an unfinished condition, the basis for assessment shall be adjusted so as to deduct the portion of the value as is attributable to the finishing of the goods outside the State;
- (2) Tax on producers: Upon every person engaging or continuing within this State in the business of a producer, the tax shall be equal to one-half of one per cent of the gross proceeds of sales of the business, or the value of the products, for sale, if sold for delivery outside the State or shipped or transported out of the State, and the value of the products shall be determined in the same manner as the value of manufactured products covered in the cases under paragraph (1)(C). No manufacturer or producer, engaged in the business of manufacturing or producing in the State and selling the manufacturer's or producer's products for delivery outside of the State (for example, consigned to a mainland purchaser via common carrier f.o.b. Honolulu), shall be required to pay the tax imposed in this chapter for the privilege of so selling the products, and the value or gross proceeds of sales of the products shall be included only in determining the measure of the tax imposed upon the manufacturer or producer;
- (3) Tax upon theaters, amusements, radio broadcasting stations, etc. Upon every person engaging or continuing within the State in the business of operating a theater, opera house, moving picture show, vaudeville, amusement park, dance hall, skating rink, radio broadcasting station, or any other place at which amusements are offered to the public, at wholesale, the tax shall be one-half of one per cent of the gross proceeds of the business;
- (4) Tax on service business upon every person engaging or continuing within the State in any service business or calling including professional services not otherwise specifically taxed under this chapter, as a wholesaler described in section A-2, the tax shall be equal to one-half of one per cent of the gross proceeds of the business;
- (5) Tax on sales by wholesalers:
- (A) Upon every person who is engaged in the business of a wholesaler or jobber as described in section A-2 of selling any tangible personal property whatsoever (not including, however, bonds or other evidences of indebtedness, or stocks), there is hereby levied, and shall be assessed and collected, a tax equivalent to one-half of one per cent of the gross proceeds of sales of the business as a wholesaler or jobber as defined in section A-2;
- (B) Gross proceeds of sales of tangible property in interstate and foreign commerce shall constitute a part of the measure of the tax imposed on persons in the business of selling tangible personal property as a wholesaler, to the extent, under the conditions, and in accordance with the provisions of the Constitution of the United States and the Acts of Congress of the United States that may be now in force or may be hereafter adopted, and whenever there occurs in the State an activity to which, under the Constitution and Acts of Congress, there may be attributed gross proceeds of sales, the gross proceeds shall be so attributed.
- (b) When a manufacturer or producer, engaged in business in the State, also is engaged in selling the manufacturer's or producer's products in the State at wholesale taxed under this chapter, retail, or in any other manner, the tax for the privilege of engaging in the business of selling the products in the State shall apply to the manufacturer or producer as well as the tax for the privilege of manufacturing or producing in the State, and the manufacturer or producer shall make the returns of the gross proceeds of the wholesale, retail, or other sales required for the privilege of selling in the State, as well as making the returns of the value or gross proceeds of sales of the products required for the privilege of manufacturing or producing in the State. The manufacturer or producer shall pay the tax imposed in this chapter for the privilege of selling its products in the State, and the value or gross proceeds of sales of the products, thus subjected to tax, may be deducted insofar as duplicated as to the same products by the measure of the tax upon the manufacturer or producer for the privilege of manufacturing or producing in the State under this chapter; provided that no producer of agricultural products who sells the products to a purchaser who will process the products outside the State shall be required to pay the tax imposed in this chapter for the privilege of producing or selling those products.
- §A-7 Resale certificates.** (a) The department of taxation, by rule, may require that a seller take from the purchaser of tangible personal property a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:
- (1) Any purchaser who furnishes a certificate shall be obligated to pay to the seller, upon demand, the amount of the additional tax that is imposed upon the seller whenever the sale in fact is not at wholesale; and
- (2) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the sales of the business are exclusively at wholesale.
- (b) The department of taxation may require that the person rendering an amusement at wholesale take from the licensed seller a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:
- (1) Any licensed seller who furnishes a certificate shall be obligated to pay to the person rendering the amusement, upon demand, the amount of additional tax that is imposed upon the seller whenever the sale is not at wholesale; and
- (2) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless

the person rendering the sale is exclusively rendering the amusement at wholesale.

(c) The department of taxation may require that the person rendering a service at wholesale take from the licensed seller a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:

- (1) Any licensed seller who furnishes a certificate shall be obligated to pay to the person rendering the service, upon demand, the amount of additional tax that is imposed upon the seller whenever the sale is not at wholesale; and
- (2) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the person rendering the sale is exclusively rendering services at wholesale.

§A-8 Tax on receipts of sugar benefit payments. Upon the amounts received from the United States government by any producer of sugar (or the producer's legal representative or heirs), as defined under and by virtue of the Sugar Act of 1948, as amended, or other Acts of the Congress of the United States relating thereto, there is hereby levied a tax of one-half of one per cent of the gross amount received; provided that the tax levied hereunder on any amount so received and actually disbursed to another by a producer in the form of a benefit payment shall be paid by the person or persons to whom the amount is actually disbursed, and the producer actually making a benefit payment to another shall be entitled to claim on the producer's return a deduction from the gross amount taxable hereunder in the sum of the amount so disbursed. The amounts taxed under this section shall not be taxable under any other paragraph, subsection, or section of this chapter.

§A-9 Segregation of gross income, etc., on records and returns. The imposition of taxes and the application of tax rates do not depend upon the business in which the taxpayer is primarily engaged. One business may be subject to two or more tax rates under this chapter and chapter 237. If a business is within the purview of two or more of the paragraphs of section 237-13 or other provisions of this chapter or chapter 237, all of them apply, each provision being applicable to the appropriate item of gross income, gross proceeds of sales, or value of products. However, any person engaging or continuing in a business having gross income, gross proceeds of sales, and value of products, or any of these as the case may be, taxable at different rates, shall be subject to taxation upon the aggregate amount of the gross income, gross proceeds of sales, and value of products of the business at the highest rate applicable to any part of the aggregate, unless the person shall segregate the parts taxable at different rates upon the person's records and in the person's returns, and shall sustain the burden of proving that the segregation was correctly made.

§A-10 Assessment on generated electricity. Any other provision of law to the contrary notwithstanding, the levy and assessment of tax on the gross proceeds from the sale of electric power to a public utility company for resale to the public, shall be made only as a tax on business of a producer, at the rate assessed producers, under section A-6(a)(2).

§A-11 Technicians. When technicians supply dentures or physicians with dentures, orthodontic devices, braces, and similar items which have been prepared by the technician in accordance with specifications furnished by the dentist or physician, and these items are to be used by the dentist or physician in the dentist's or physician's professional practice for a particular patient who is to pay the dentist or physician for the same as a part of the dentist's or physician's professional services, the technician shall be taxed as though the technician were a manufacturer selling a product to a licensed retailer, rather than pursuant to chapter 237 at the rate of four per cent that is generally applied to professions and services.

§A-12 Activity ordered by others. (a) Where, through the activity of a person taxable under section 237-13(5), a product has been milled, processed, or otherwise manufactured upon the

order of another taxpayer who is a manufacturer taxable upon the value of the entire manufactured products, which consists in part of the value of the services taxable under section 237-13(5), so much gross income as is derived from the rendering of the services shall be subjected to tax on the person rendering the services at the rate of one-half of one per cent, and the value of the entire product shall be included in the measure of the tax imposed on the other taxpayer as elsewhere provided.

(b) Where, through the activity of a person taxable under section 237-13(5), there have been rendered to a cane planter services consisting in the harvesting or hauling of the cane, or consisting in road maintenance, under a contract between the person rendering the services and the cane planter, covering the services and also the milling of the sugar, the services of harvesting and hauling the cane and road maintenance shall be treated the same as the service of milling the cane, as provided by subsection (a), and the value of the entire product, manufactured or sold for the cane planter under the contract, shall be included in the measure of the tax imposed on the persons elsewhere provided.

§A-13 Apportionment. In the case of a tax upon the production of property in the State, the apportionment shall be determined as in the case of the tax on manufacturers provided in section A-6(a)(1).

§A-14 Conformity to constitution. Section 237-22 shall apply to this chapter.

§A-15 Exemptions. The exemptions provided in section 237-23, 237-26, 237-27.5, 237-29, 237-29.5, and 237-29.53 shall apply to this chapter.

§A-16 Amounts not taxable. This chapter shall not apply to the following amounts:

- (1) The amounts of taxes on cigarettes and tobacco products imposed by chapter 245 on wholesalers or dealers holding licenses under that chapter and selling the products at wholesale;
- (2) The amounts of federal taxes under chapter 37 of the Internal Revenue Code of 1986, as amended, or similar federal taxes, imposed on sugar manufactured in the State, paid by the manufacturer to the federal government;
- (3) Gross income received by any blind, deaf, or totally disabled person engaging, or continuing, in any business, trade, activity, occupation, or calling within the State; a corporation all of whose outstanding shares are owned by an individual or individuals who are blind, deaf, or totally disabled; a general, limited or limited liability partnership, all of whose partners are blind, deaf, or totally disabled; or a limited liability company, all of whose members are blind, deaf, or totally disabled;
- (4) Amounts received by a producer of sugarcane from the manufacturer to whom the producer sells the sugarcane, where:
 - (A) The producer is an independent cane farmer, so classed by the Secretary of Agriculture under the Sugar Act of 1948 (61 Stat. 922, Chapter 519) as the Act may be amended or supplemented;
 - (B) The value or gross proceeds of sale of the sugar, and other products manufactured from the sugarcane, is included in the measure of the tax levied on the manufacturer under section A-6(a)(1);
 - (C) The producer's gross proceeds of sales are dependent upon the actual value of the products manufactured therefrom or the average value of all similar products manufactured by the manufacturer; and
 - (D) The producer's gross proceeds of sales are reduced by reason of the tax on the value or sale of the manufactured products.

§A-17 Exemption for sale of tangible personal property for resale at wholesale. (a) There shall be exempted from, and excluded from the measure of, the taxes imposed by this chapter all of the gross proceeds or gross income arising from the sale of tangible personal property imported to Hawaii from a foreign or domestic source to a licensed taxpayer for subsequent resale for the purpose of wholesale as defined under section A-2(a)(8).

(b) The department of taxation, by rule, may provide that a seller may take from the purchaser of imported tangible personal property, a certificate in a form that the department shall prescribe, certifying that the purchaser of the imported tangible personal property shall resell the imported tangible personal property at wholesale as defined under section A-2(a)(8). Any purchaser who furnishes a certificate shall be obligated to pay to the seller, upon demand, if the sale in fact is not a sale for the purpose of resale at wholesale, the amount of the additional tax which by reason thereof is imposed upon the seller. The absence of a certificate, unless the sales of the business are exclusively a sale for the purpose of resale at wholesale, in itself, shall give rise to the presumption that the sale is not a sale for the purpose of resale at wholesale.

§A-18 Administrative provisions. Sections 237-20, 237-21, 237-27, 237-30, 237-31, 237-32, 237-33, 237-33.5, 237-34, 237-35, 237-36, 237-37, 237-38, 237-39, 237-40, 237-41, 237-42, 237-43, 237-46, 237-47, 237-49, and 237-A through 237-F shall apply to this chapter.”

SECTION 15. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER
TAX ON IMPORT OF GOODS, SERVICES AND
CONTRACTING FOR RE SALE**

§B-1 Definitions. Definitions contained in section 238-1 shall apply to this chapter.

§B-2 Imposition of tax on tangible personal property; exemptions. There is hereby levied an excise tax on the use in this State of tangible personal property which is imported by a taxpayer in this State whether owned, purchased from an unlicensed seller, or however acquired for use in this State. The tax imposed by this chapter shall accrue when the property is acquired by the importer or purchaser and becomes subject to the taxing jurisdiction of the State. The rates of the tax hereby imposed and the exemptions thereof are as follows:

- (1) If the importer or purchaser is licensed under chapter A and is:
 - (A) A wholesaler or jobber importing or purchasing for purposes of sale or resale; or
 - (B) A manufacturer importing or purchasing material or commodities that are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) wherein it will remain in a form as to be perceptible to the senses, and the finished or saleable product is to be sold in a manner as to result in a further tax on the activity of the manufacturer as the manufacturer or as a wholesaler, and not as a retailer;

there shall be no tax; provided that if the wholesaler, jobber, or manufacturer is also engaged in business as a retailer (so classed under chapter 237), paragraph (2) shall apply to the wholesaler, jobber, or manufacturer, but the director of taxation shall refund to the wholesaler, jobber, or manufacturer, in the manner provided under section 231-23(c) the amount of tax as the wholesaler, jobber, or manufacturer shall establish, to the satisfaction of the director, to have been paid by the wholesaler, jobber, or manufacturer to the director with respect to property that has been used by the wholesaler, jobber, or manufacturer for the purposes stated in this paragraph;

- (2) If the importer or purchaser is licensed under chapter 237 and is:

- (A) A retailer or other person importing or purchasing for purposes of sale or resale, not exempted by paragraph (1);
- (B) A manufacturer importing or purchasing material or commodities that are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) wherein it will remain in a form as to be perceptible to the senses, and the finished or saleable product is to be sold at retail in this State, in a manner as to result in a further tax on the activity of the manufacturer in selling the products at retail;
- (C) A contractor importing or purchasing material or commodities that are to be incorporated by the contractor into the finished work or project required by the contract and that will remain in the finished work or project in a form as to be perceptible to the senses;
- (D) A person engaged in a service business or calling as defined in section 237-7, or a person furnishing transient accommodations subject to the tax imposed by section 237D-2, in which the import or purchase of tangible personal property would have qualified as a sale at wholesale as defined in section A-2(a)(8) had the seller of the property been subject to the tax in chapter 237; or
- (E) A publisher of magazines or similar printed materials containing advertisements, when the publisher is under contract with the advertisers to distribute a minimum number of magazines or similar printed materials to the public or defined segment of the public, whether or not there is a charge to the persons who actually receive the magazines or similar printed materials, the tax shall be one-half of one per cent of the purchase price of the property, if the purchase and sale are consummated in Hawaii; or, if there is no purchase price applicable thereto, or if the purchase or sale is consummated outside of Hawaii, then one-half of one per cent of the value of the property.

§B-3 Imposition of tax on imported services or contracting; exemptions. There is hereby levied an excise tax on the value of services or contracting as defined in section 237-6 that are performed by an unlicensed seller at a point outside the State and imported or purchased for use in this State. The tax imposed by this chapter shall accrue when the service or contracting as defined in section 237-6 is received by the importer or purchaser and becomes subject to the taxing jurisdiction of the State. The rates of the tax hereby imposed and the exemptions from the tax are as follows:

- (1) If the importer or purchaser is licensed under chapter A and is:
 - (A) Engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income of the importer or purchaser is subject to the tax imposed under chapter A on services at the rate of one-half of one per cent; or
 - (B) A manufacturer importing or purchasing services or contracting that become identifiable elements, excluding overhead, of a finished or saleable product (including the container or package in which the product is contained) and the finished or saleable product is to be sold in a manner that

results in a further tax under chapter A on the manufacturer as a wholesaler, and not a retailer; there shall be no tax imposed on the value of the imported or purchased services or contracting; provided that if the manufacturer is also engaged in business as a retailer as classified under chapter 237, paragraph (2) shall apply to the manufacturer, but the director of taxation shall refund to the manufacturer, in the manner provided under section 231-23(c), that amount of tax that the manufacturer, to the satisfaction of the director, shall establish to have been paid by the manufacturer to the director with respect to services that have been used by the manufacturer for the purposes stated in this paragraph;

- (2) If the importer or purchaser is a person licensed under chapter 237 and is:
 - (A) Engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income from those services when sold by the importer or purchaser is subject to the tax imposed under chapter 237;
 - (B) A manufacturer importing or purchasing services or contracting that become identifiable elements, excluding overhead, of the finished or saleable manufactured product (including the container or package in which the product is contained) and the finished or saleable product is to be sold in a manner that results in a further tax under chapter 237 on the activity of the manufacturer as a retailer; or
 - (C) A contractor importing or purchasing services or contracting that become identifiable elements, excluding overhead, of the finished work or project required under the contract, and where the gross proceeds derived by the contractor are subject to the tax under section 237-13(2) as a contractor;

the tax shall be one-half of one per cent of the value of the imported or purchased services or contracting.

§B-4 Application of tax, etc. Section 238-3 shall apply to this chapter.

§B-5 Certain property used by producers. If a licensed producer, or a cooperative association acting under the authority of chapter 421, in order to sell to the producer, or a licensed person, imports into the State or acquires in the State commodities, materials, items, services, or living things enumerated in section A-2(a)(3) and (a)(5) to (a)(7), then section A-2 shall apply. If section A-2 applies and the producer is engaged in the sale of the producer's products at retail or in any manner other than at wholesale, then the tax upon use of property in the State imposed by section 238-2 shall apply the same as in the case of a purchaser who is a licensed retailer. In other cases no tax shall be imposed under this chapter.

§B-6 Administration. Sections 238-5, 238-6, 238-7, 238-8, 238-9, 238-9.5, 238-10, 238-11, 238-13, 238-14 and 238-16 shall apply to this chapter."

SECTION 16. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER

INSURANCE PRODUCER'S TAX

§C-1 Definitions. The definitions contained in sections 237-1, 237-2, and 237-3 shall apply to this chapter.

§C-2 Tax on insurance producers. Upon every person engaged as a licensed producer pursuant to chapter 431, there is hereby levied and shall be assessed and collected a tax equal to 0.15 per cent of the commissions due to that activity.

§C-3 Apportionment. Where insurance producers, who are not employees and are licensed pursuant to chapter 431,

produce commissions that are divided between the insurance producers, the tax levied under section C-2 as to insurance producers shall apply to each producer with respect to the producer's portion of the commissions, and no more.

§C-4 Administrative provisions. Sections 237-8, 237-9, 237-9.5, 237-11, 237-12, 237-30, 237-31, 237-33, 237-33.5, 237-34, 237-35, 237-36, 237-37, 237-38, 237-39, 237-40, 237-41, 237-42, 237-43, 237-46, and 237-A through 237-G shall apply to this chapter."

SECTION 17. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§46- County compliance with the streamlined sales and use tax agreement. The counties shall not adopt any ordinance or interpret any ordinance in such a manner that violates the provisions of the streamlined sales and use tax agreement established by the Streamlined Sales Tax Governing Board, Incorporated, and adopted pursuant to chapter 255D."

SECTION 18. Chapter 237, Hawaii Revised Statutes, is amended by adding seven new sections to be appropriately designated and to read as follows:

"§237-A General sourcing rules.

(1) The retail sale, excluding lease or rental, of a product shall be sourced as follows:

- (A) When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location;
- (B) When the product is not received by the purchaser at a business location of the seller, the sale is sourced to the location where receipt by the purchaser (or the purchaser's donee, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery to the purchaser (or donee), known to the seller;
- (C) When subparagraphs (A) and (B) do not apply, the sale is sourced to the location indicated by an address for the purchaser that is available from the business records of the seller that are maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith;
- (D) When subparagraphs (A), (B), and (C) do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith; or
- (E) When none of the previous rules of subparagraphs (A), (B), (C), and (D) apply, including the circumstance in which the seller is without sufficient information to apply the previous rules, then the location shall be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller, or from which the service was provided (disregarding for these purposes any location that merely provided the digital transfer of the product sold);

(2) The lease or rental of tangible personal property, other than property identified in paragraph (3) or (4), shall be sourced as follows:

- (A) For a lease or rental that requires recurring periodic payments, the first periodic payment is sourced the same as a retail sale in accordance with paragraph (1). Periodic payments made subsequent to the first payment are sourced to the primary property location for each period covered by the payment. The primary property location

shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. The property location shall not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls; or

- (B) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with paragraph (1);

This paragraph does not affect the imposition or computation of general excise or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease;

- (3) The lease or rental of motor vehicles, trailers, semi-trailers, or aircraft that do not qualify as transportation equipment, as defined in paragraph (4), shall be sourced as follows:

- (A) For a lease or rental that requires recurring periodic payments, each periodic payment is sourced to the primary property location. The primary property location shall be as indicated by an address for the property provided by the lessee that is available to the lessor from its records maintained in the ordinary course of business, when use of this address does not constitute bad faith. This location shall not be altered by intermittent use at different locations; or

- (B) For a lease or rental that does not require recurring periodic payments, the payment is sourced the same as a retail sale in accordance with paragraph (1);

This paragraph does not affect the imposition or computation of general excise or use tax on leases or rentals based on a lump sum or accelerated basis, or on the acquisition of property for lease;

- (4) The retail sale, including lease or rental, of transportation equipment shall be sourced the same as a retail sale in accordance with paragraph (1), notwithstanding the exclusion of lease or rental in paragraph (1). "Transportation equipment" means any of the following:

- (A) Locomotives and railcars that are utilized for the carriage of persons or property in interstate commerce;

- (B) Trucks and truck-tractors with a gross vehicle weight rating of 10,001 pounds or greater, trailers, semi-trailers, or passenger buses that are:

- (i) Registered through the international registration plan; and
- (ii) Operated under authority of a carrier authorized and certificated by the United States Department of Transportation or another federal authority to engage in the carriage of persons or property in interstate commerce;

- (C) Aircraft that are operated by air carriers authorized and certificated by the United States Department of Transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate or foreign commerce; and

- (D) Containers designed for use on and component parts attached or secured on the items set forth in subparagraphs (A) to (C).

§237-B General sourcing definitions. For the purposes of section 237-A(1), the terms "receive" and "receipt" mean:

- (1) Taking possession of tangible personal property;

- (2) Making first use of services; or
- (3) Taking possession or making first use of digital goods, whichever comes first.

The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser.

§237-C Telecommunications sourcing rule. (a) Except for the defined telecommunications services in subsection (c), the sale of telecommunications service sold on a call-by-call basis shall be sourced to:

- (1) Each level of taxing jurisdiction where the call originates and terminates in that jurisdiction; or
- (2) Each level of taxing jurisdiction where the call either originates or terminates and in which the service address is also located.

(b) Except for the defined telecommunications services in subsection (c), a sale of telecommunications service sold on a basis other than a call-by-call basis, is sourced to the customer's place of primary use.

(c) The sale of the following telecommunications services shall be sourced to each level of taxing jurisdiction as follows:

- (1) A sale of mobile telecommunications service other than air-to-ground radiotelephone service and prepaid calling service, is sourced to the customer's place of primary use as required by the Mobile Telecommunications Sourcing Act;

- (2) A sale of post-paid calling service is sourced to the origination point of the telecommunications signal as first identified by either:

- (A) The seller's telecommunications system; or
- (B) Information received by the seller from its service provider, where the system used to transport such signals is not that of the seller;

- (3) Until December 31, 2007, a sale of prepaid calling service is sourced in accordance with section 237-A; provided that in the case of a sale of mobile telecommunications service that is prepaid telecommunications service, the rule provided in section 237-A(1)(E) shall include as an option the location associated with the mobile telephone number;

- (4) Effective January 1, 2008, a sale of prepaid calling service or a sale of a prepaid wireless calling service is sourced in accordance with section 237-A; provided that in the case of a sale of prepaid wireless calling service, the rule provided in section 237-A(1)(E) shall include as an option the location associated with the mobile telephone number; or

- (5) A sale of a private communication service is sourced as follows:

- (A) Service for a separate charge related to a customer channel termination point is sourced to each level of jurisdiction in which the customer channel termination point is located;

- (B) Service where all customer termination points are located entirely within one jurisdiction or levels of jurisdiction is sourced in the jurisdiction in which the customer channel termination points are located; or

- (C) Service for segments of a channel between two customer channel termination points located in different jurisdictions and which segment of channel are separately charged is sourced fifty per cent in each level of jurisdiction in which the customer channel termination points are located.

Service for segments of a channel located in more than one jurisdiction or levels of jurisdiction and which segments are not separately billed is sourced in each jurisdiction based on the percentage determined by dividing the number of customer channel termination points in the jurisdiction by the total number of customer channel termination points.

§237-D Telecommunications sourcing definitions. Until December 31, 2007, for the purposes of section 237-C, the following definitions shall apply:

“Air-to-ground radiotelephone service” means a radio service, as that term is defined in 47 C.F.R. 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.

“Call-by-call basis” means any method of charging for telecommunications services where the price is measured by individual calls.

“Communications channel” means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.

“Customer”:

(1) Means the person or entity that contracts with the seller of telecommunications services. If the end user of telecommunications services is not the contracting party, the end user of the telecommunications service is the customer of the telecommunications service, but this sentence only applies for the purpose of sourcing sales of telecommunications services under section 237-C;

(2) Does not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider’s licensed service area.

“Customer channel termination point” means the location where the customer either inputs or receives the communications.

“End user” means the person who utilizes the telecommunications service. In the case of an entity, “end user” means the individual who utilizes the service on behalf of the entity.

“Home service provider” has the same meaning as that term is defined in section 124(5) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).

“Mobile telecommunications service” has the same meaning as that term is defined in section 124(7) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).

“Place of primary use” means the street address representative of where the customer’s use of the telecommunications service primarily occurs, which shall be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, “place of primary use” shall be within the licensed service area of the home service provider.

“Post-paid calling service” means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number that is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes a telecommunications service that would be a prepaid calling service except it is not exclusively a telecommunications service.

“Prepaid calling service” means the right to access exclusively telecommunications service, which must be paid for in advance and that enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

“Private communication service” means a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which the channel or channels are connected, and includes switching capacity, extension lines, stations, and any

other associated services that are provided in connection with the use of the channel or channels.

“Service address” means:

(1) The location of the telecommunications equipment to which a customer’s call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;

(2) If the location in paragraph (1) is not known, service address means the origination point of the signal of the telecommunications service first identified by either the seller’s telecommunications system or in information received by the seller from its service provider, where the system used to transport the signals is not that of the seller; or

(3) If the location in paragraphs (1) and (2) are not known, service address means the location of the customer’s place of primary use.

§237-E Telecommunications sourcing definitions. Effective January 1, 2008, for the purpose of section 237-C, the following definitions shall apply:

“Air-to-ground radiotelephone service” means a radio service, as that term is defined in 47 C.F.R. 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.

“Call-by-call basis” means any method of charging for telecommunications services where the price is measured by individual calls.

“Communications channel” means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.

“Customer”:

(1) Means the person or entity that contracts with the seller of telecommunications services. If the end user of telecommunications services is not the contracting party, the end user of the telecommunications service is the customer of the telecommunications service, but this sentence only applies for the purpose of sourcing sales of telecommunications services under section 237-C;

(2) Does not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider’s licensed service area.

“Customer channel termination point” means the location where the customer either inputs or receives the communications.

“End user” means the person who utilizes the telecommunications service. In the case of an entity, “end user” means the individual who utilizes the service on behalf of the entity.

“Home service provider” has the same meaning as that term is defined in section 124(5) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).

“Mobile telecommunications service” has the same meaning as that term is defined in section 124(7) of Public Law 106-252 (Mobile Telecommunications Sourcing Act).

“Place of primary use” means the street address representative of where the customer’s use of the telecommunications service primarily occurs, which shall be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, “place of primary use” shall be within the licensed service area of the home service provider.

“Post-paid calling service” means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number that is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes a

telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunications service.

“Prepaid calling service” means the right to access exclusively telecommunications services, which must be paid for in advance and that enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

“Prepaid wireless calling service” means a telecommunications service that provides the right to utilize mobile wireless service as well as other non-telecommunications services, including the download of digital products delivered electronically, content and ancillary services, which must be paid for in advance that is sold in predetermined units or dollars of which the number declines with use in a known amount.

“Private communication service” means a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which the channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of the channel or channels.

“Service address” means:

- (1) The location of the telecommunications equipment to which a customer’s call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;
- (2) If the location in paragraph (1) is not known, service address means the origination point of the signal of the telecommunications service first identified by either the seller’s telecommunications system or in information received by the seller from its service provider, where the system used to transport the signals is not that of the seller; or
- (3) If the location in paragraphs (1) and (2) are not known, service address means the location of the customer’s place of primary use.

§237-F Deduction for bad debts. (a) A seller shall be allowed a deduction from taxable sales for bad debts. A seller may deduct the amount of bad debts from the seller’s gross sales, rentals, or services used for the computation of the tax. The amount of gross sales, rentals, or services deducted shall be charged off as uncollectible on the books and records of the seller at the time the debt becomes worthless and deducted on the return for the period during which the bad debt is written off as uncollectible in the claimant’s books and records and shall be eligible to be deducted for federal income tax purposes.

For the purposes of this section, a claimant who is not required to file a federal income tax return may deduct a bad debt on a return filed for the period in which the bad debt becomes worthless and is written off as uncollectible in the claimant’s books and records and would be eligible for a bad debt deduction for federal income tax purposes if the claimant was required to file a federal income tax return.

If a consumer or other person pays all or part of a bad debt with respect to which a seller claimed a deduction under this section, the seller is liable for the amount of taxes deducted in connection with that portion of the debt for which payment is received and shall remit these taxes in the seller’s next payment to the department. Any payments made on a bad debt shall be applied proportionally first to the taxable price of the property and the tax on the property and second to any interest, service, or other charge.

(b) Any claim for a bad debt deduction under this section shall be supported by evidence required by the department. The department shall review any change in the rate of taxation applicable to any taxable sales, rentals, or services by a seller

claiming a deduction pursuant to this section and shall ensure that the deduction on any bad debt does not result in the seller claiming the deduction recovering any more or less than the taxes imposed on the sale, rental, or service that constitutes the bad debt.

(c) If a certified service provider assumed filing responsibility under the streamlined sales and use tax administration act, the certified service provider may claim, on behalf of the seller, any bad debt allowable to the seller and shall credit or refund that amount of bad debt allowed or refunded to the seller.

(d) If the books and records of a seller who, under the streamlined sales and use tax administration act claims a bad debt allowance, support an allocation of the bad debts among member states of that agreement, the seller may allocate the bad debt.

(e) As used in this section, “bad debt” means any portion of a debt resulting from a seller’s collection of the use tax under the streamlined sales and use tax administration act on the purchase of tangible personal property or services that is not otherwise deductible or excludable and that is eligible to be claimed, or could be eligible to be claimed if the seller kept accounts on an accrual basis, as a deduction pursuant to section 166 of the Internal Revenue Code, 26 U.S.C. section 166. A bad debt does not include any of the following:

- (1) Interest, finance charge, or use tax on the purchase price;
- (2) Uncollectible amounts on property that remains in the possession of the seller until the full purchase price is paid;
- (3) Expenses incurred in attempting to collect any account receivable or any portion of the debt recovered;
- (4) Any accounts receivable that have been sold to and remain in the possession of a third party for collection; or
- (5) Repossessed property.

§237-G Direct mail sourcing. (a) Notwithstanding the general sourcing provisions of section 237-A, a purchaser of direct mail who is not a holder of a direct pay permit shall provide to the seller, in conjunction with the purchase, either a direct mail form or information to show the jurisdictions to which the direct mail is delivered to recipients.

Upon receipt of the direct mail form, the seller shall be relieved of all obligations to collect, pay, or remit the applicable tax and the purchaser shall be obligated to pay or remit the applicable tax on a direct pay basis. A direct mail form shall remain in effect for all future sales of direct mail by the seller to the purchaser until it is revoked in writing.

Upon receipt of information from the purchaser showing the jurisdictions to which the direct mail is delivered to recipients, the seller shall collect the tax according to the delivery information provided by the purchaser. In the absence of bad faith, the seller shall be relieved of any further obligation to collect tax on any transaction for which the seller has collected tax pursuant to the delivery information provided by the purchaser.

(b) If the purchaser of direct mail does not have a direct pay permit and does not provide the seller with either a direct mail form or delivery information as required under subsection (a), the seller shall collect the tax. Nothing in this subsection shall limit a purchaser’s obligation for sales or use tax to any state to which the direct mail is delivered.

(c) If a purchaser of direct mail provides the seller with documentation of direct pay authority, the purchaser shall not be required to provide a direct mail form or delivery information to the seller.

Receipts from sales of direct mail for distribution to out-of-state recipients and receipts from sales of direct-mail processing services in connection with distribution of direct mail to out-of-state recipients shall be exempt from taxation under this chapter. The exemption provided by this section shall apply to

receipts from charges for the printing or production of direct mail, whether prepared in or shipped into Hawaii, after preparation, and stored for subsequent shipment to out-of-state customers. The direct mail processing services exemption provided under this section shall apply to receipts from charges for all direct mail processing services for distribution to out-of-state recipients, including but not limited to preparing and maintaining mailing lists, addressing, separating, folding, inserting, sorting, and packaging direct mail materials, and transporting the direct mail to the point of shipment by the mail service or other carrier.”

SECTION 19. Section 237-1, Hawaii Revised Statutes, is amended by adding five new definitions to be appropriately inserted and to read as follows:

““Delivery charges” means charges by the seller for preparation and delivery to a location designated by the purchaser of personal property or services, including but not limited to transportation, shipping, postage, handling, crating, and packing. If a shipment includes both exempt and taxable property, the seller shall allocate the delivery charge by using:

- (1) A percentage based on the total sales price of the taxable property compared to the total sales price of all property in the shipment; or
- (2) A percentage based on the total weight of the taxable property compared to the total weight of all property in the shipment.

“Direct mail”:

- (1) Means printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addresses on a mailing list provided by the purchaser, or at the direction of the purchaser, in cases in which the cost of the items are not billed directly to the recipients;
- (2) Includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material;
- (3) Does not include multiple items of printed material.

“Lease or rental”:

- (1) After _____, means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration;
- (2) May include future options to purchase or extend;
- (3) Does not include:
 - (A) A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;
 - (B) A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments and payment of an option price that does not exceed the greater of \$100 or one per cent of the total required payments;
 - (C) Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this subparagraph, an operator shall do more than maintain, inspect, or set-up the tangible personal property; or
 - (D) Agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. section 7701(h)(1).

For the purposes of this chapter, the definition of “lease or rental” shall be used regardless of whether a transaction is characterized as a lease or rental under generally accepted

accounting principles, the federal Internal Revenue Code, or other provisions of federal, state, or local law.

“Sales price” applies to the measure subject to tax and means the total amount of consideration, including cash, credit, property, and services for which personal property or services are sold, leased, rented, or valued in money, whether money is received or otherwise, without any deduction for the following:

- (1) The seller’s cost of the property sold;
- (2) The cost of the materials used, labor or service cost, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- (3) Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- (4) Delivery and installation charges; or
- (5) Installation charges.

“Tangible personal property” means personal property that can be seen, weighed, measured, felt, or touched, or that is in any manner perceptible to the senses. Tangible personal property includes gas, steam, and prewritten computer software.”

SECTION 20. Chapter 255D, Hawaii Revised Statutes, is amended by adding nine new sections to be appropriately designated and to read as follows:

“**§255D-A Relief from certain liability.** All sellers and certified service providers as defined in section 255D-2 using databases pursuant to section 255D-D(f) and (g) shall be relieved from liability to the state and local jurisdictions for having charged and collected the incorrect amount of general excise or use tax resulting from the seller or certified service provider relying on erroneous data provided by the state on tax rates, boundaries, or taxing jurisdiction assignments.

§255D-B Rounding rule. For the purpose of calculating the amount of the general excise or use tax:

- (1) The tax computation shall be carried to the third decimal place; and
- (2) The tax shall be rounded to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four.

Sellers may elect to compute the tax due on a transaction on an item or an invoice basis, and shall allow the rounding rule to be applied to the aggregated state and local taxes.

§255D-C Amnesty for registration under this chapter.

(a) The department shall provide amnesty for uncollected or unpaid general excise tax under chapter 237 or use tax under chapter 238, including any county surcharge, to a seller who registers to pay or to collect and remit applicable general excise or use tax on sales made to purchasers in the State in accordance with the terms of the streamlined sales and use tax agreement, provided that the seller was not so registered in the State in the twelve-month period preceding the effective date of the State’s participation in the streamlined sales and use tax agreement.

(b) The amnesty shall preclude assessment for uncollected or unpaid general excise tax under chapter 237 or use tax under chapter 238 together with penalty or interest for sales made during the period the seller was not registered in the State, provided registration occurs within twelve months of the effective date of the State’s participation in the streamlined sales and use tax agreement.

(c) The amnesty shall not be available to a seller with respect to any matter or matters for which the seller received notice of the commencement of an audit and the audit is not yet finally resolved including any related administrative and judicial processes.

(d) The amnesty shall not be available for general excise or use taxes already paid or remitted to the State or to taxes collected by the seller.

(e) The amnesty shall be fully effective, absent the seller’s fraud or intentional misrepresentation of a material fact, as long

as the seller continues registration and continues payment or collection and remittance of applicable general excise or use taxes for a period of at least thirty-six months. The statute of limitations is tolled with respect to asserting a tax liability during this thirty-six month period.

(f) The amnesty shall only apply to general excise or use taxes due from a seller in its capacity as a seller and not to sales or use taxes due from a seller in its capacity as a buyer.

§255D-D Local rate and boundary changes. (a) Any rate changes by a county shall be effective only on the first day of a calendar quarter after a minimum of sixty days notice to sellers.

(b) Any county tax rate changes to purchases from printed catalogs wherein the purchaser computed the tax based upon county tax rates published in the catalog shall be effective only on the first day of a calendar quarter after a minimum of one hundred twenty days notice to sellers.

(c) For general excise and use tax purposes only, local jurisdiction boundary changes apply only on the first day of a calendar quarter after a minimum of sixty days notice to sellers.

(d) The department of taxation shall provide and maintain a database that describes boundary changes for all taxing jurisdictions. The database shall include a description of the change and the effective date of the change for general excise tax under chapter 237 and use tax under chapter 238 purposes.

(e) The department of taxation shall provide and maintain a database of all general excise tax rates under chapter 237 and use tax rates under chapter 238 for all of the jurisdictions levying taxes within the State. For the identification of states, counties, and cities, codes corresponding to the rates shall be provided according to Federal Information Processing Standards as developed by the National Institute of Standards and Technology. For the identification of all other jurisdictions, codes corresponding to the rates shall be in the format determined by the Streamlined Sales Tax Governing Board, Incorporated.

(f) The department of taxation shall provide and maintain a database that assigns each five digit and nine digit zip code within the State to the proper tax rates and jurisdictions. The department of taxation shall apply the lowest combined tax rate imposed in the zip code area if the area includes more than one tax rate in any level of taxing jurisdictions. If a nine digit zip code designation is not available for a street address or if a seller or certified service provider is unable to determine the nine digit zip code designation of a purchaser after exercising due diligence to determine the designation, the seller or certified service provider may apply the rate for the five digit zip code area. For the purposes of this section, there is a rebuttable presumption that a seller or certified service provider has exercised due diligence if the seller has attempted to determine the nine digit zip code designation by utilizing software approved by the Streamlined Sales Tax Governing Board, Incorporated, that makes this designation from the street address and the five digit zip code of the purchaser.

(g) The State shall participate with other states in the development of an address-based system for assigning taxing jurisdictions. The system shall meet the requirements developed pursuant to the federal Mobile Telecommunications Sourcing Act (4 U.S.C. Sec. 119(a)). If any state develops an address-based assignment system pursuant to the Mobile Telecommunications Sourcing Act, a seller may use that system in place of the system provided for in subsection (e) of this section.

§255D-E Certified service provider; agent of the seller.

(a) A certified service provider is the agent of a seller, with whom the certified service provider has contracted for the collection and remittance of general excise and use taxes. As the seller's agent, the certified service provider is liable for general excise and use tax due to the State on all sales transactions it processes for the seller unless the seller made a material misrepresentation or committed fraud.

(b) A seller that uses a certified automated system is responsible and is liable to the State for reporting and remitting tax.

§255D-F Confidentiality of records. (a) Except as provided in subsection (c), a certified service provider shall not retain or disclose the personally identifiable information of consumers. A certified service provider's system shall be designed and tested to ensure the privacy of consumers by protecting their anonymity.

(b) A certified service provider shall provide clear and conspicuous notice of its information practices to consumers, including but not limited to what information it collects, how it collects the information, how it uses the information, how long it retains the information, and whether it discloses the information to member states.

(c) A certified service provider's retention or disclosure to member states of personally identifiable information is limited to that required to ensure the validity of exemptions claimed because of a consumer's status or intended use of the goods or services purchased.

(d) A certified service provider shall provide the necessary technical, physical, and administrative safeguards to protect personally identifiable information from unauthorized access and disclosure.

(e) The privacy policy required under this section shall be subject to enforcement by the attorney general.

(f) If personally identifiable information is retained by the State for the purpose of subsection (c), in the absence of exigent circumstances, a person shall be afforded reasonable access to their own data, with a right to correct inaccurately recorded data.

(g) The agreement does not enlarge or limit the State's authority to do any of the following:

- (1) Conduct audits or other reviews as provided under the agreement or the State's law;
- (2) Provide records pursuant to the State's freedom of information act, disclosure laws with governmental agencies, or other regulations;
- (3) Prevent, consistent with the State's law, disclosures of confidential taxpayer information;
- (4) Prevent, consistent with federal law, disclosures or misuse of federal return information obtained under a disclosure agreement with the Internal Revenue Service; or
- (5) Collect, disclose, disseminate, or otherwise use anonymous data for governmental purposes.

(h) The department shall publish on the department's website the State's policy relating to the collection, use, and retention of personally identifiable information obtained from a certified service provider under subsection (c).

(i) The department shall destroy personally identifiable information obtained from a certified service provider when the information is no longer required for purposes under subsection (c).

(j) If a person other than a member state or person authorized by a member state's law or the agreement seeks to discover personally identifiable information about an individual from the State, the department shall make a reasonable and timely effort to notify that individual of the request.

(k) As used in this section, "personally identifiable information" means information that identifies a specific person.

§255D-G Liability for uncollected tax. (a) A seller registered under the agreement is not liable for any uncollected or nonremitted tax on transactions with purchasers in the State before the date of registration if the seller was not licensed or registered under chapter 237 in the twelve-month period preceding the effective date of the State's participation in the agreement. The seller is also not responsible for any penalty or interest that may be due on those transactions. This subsection applies only if the seller is registered in this State within twelve

months of the effective date of this State's participation in the agreement.

(b) Subsection (a) does not apply to:

- (1) Any tax liability of the registered seller for transactions that are subject to general excise or use tax in the state in which the registered seller is the purchaser;
- (2) Any general excise or use taxes already paid or remitted to the State or to taxes collected by the seller; and
- (3) Any transactions for which the seller received notice of the commencement of an audit and the audit is not finally resolved, including related administrative or judicial processes.

(c) Subsection (a) applies to the seller absent the seller's fraud or intentional misrepresentation of a material fact only if the seller continues to be registered under the agreement and continues collection and remittance of applicable general excise and use taxes in the State for at least thirty-six months. The statute of limitations applicable to assessing a tax liability is tolled during this thirty-six-month period.

§255D-H Rate changes. (a) The department shall publish on its website a notification to sellers registered under the agreement of a change in rate or tax base within five business days of receiving notice of the changes to the tax rate or base or of an amendment to general excise and use tax rules. Whenever possible, a rate or tax base change should occur on the first day of a calendar quarter.

(b) The failure of a seller to receive notice under subsection (a) does not relieve the seller of its obligation to collect the general excise or use tax.

(c) The department shall complete a taxability matrix as provided for under section 328 of the agreement, maintain it in a database in a downloadable format approved by the Streamlined Sales Tax Governing Board, Incorporated, and provide notice of changes in the matrix.

§255D-I Customer refund procedures. A cause of action against a seller for overcollected general excise or use taxes does not accrue until sixty days after a purchaser has provided written notice to a seller. The purchaser shall provide in the notice sufficient information to determine the validity of the request. In matters relating to the request, a seller is presumed to have a reasonable business practice if in the collection of general excise or use tax, the seller has a certified service provider or a system, including a proprietary system, certified by the department, and has remitted to this State all taxes collected, less any deductions, credits, or collection allowances."

SECTION 21. Section 237-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) "Gross income" means the gross receipts, cash or accrued, of the taxpayer received as compensation for personal services and the gross receipts of the taxpayer derived from trade, business, commerce, or sales and the value proceeding or accruing from the sale of tangible personal property, or service, or both, and all receipts, actual or accrued as hereinafter provided, by reason of the investment of the capital of the business engaged in, including interest, discount, rentals, royalties, fees, or other emoluments however designated and without any deductions on account of the cost of property sold, the cost of materials used, labor cost, taxes, royalties, interest, or discount paid or any other expenses whatsoever. Every taxpayer shall be presumed to be dealing on a cash basis unless the taxpayer proves to the satisfaction of the department of taxation that the taxpayer is dealing on an accrual basis and the taxpayer's books are so kept, or unless the taxpayer employs or is required to employ the accrual basis for the purposes of the tax imposed by chapter 235 for any taxable year in which event the taxpayer shall report the taxpayer's gross income for the purposes of this chapter on the accrual basis for the same period.

"Gross proceeds of sale" means the ~~[value actually proceeding from the sale of tangible personal property without any deduction on account of the cost of property sold or expenses of any kind.] sales price."~~

SECTION 22. Section 237-8.6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The county surcharge on state tax, upon the adoption of county ordinances and in accordance with the requirements of section 46-16.8, shall be levied, assessed, and collected as provided in this section on all gross proceeds and gross income taxable under this chapter. No county shall set the surcharge on state tax at a rate greater than one-half of one per cent of all gross proceeds and gross income taxable under this chapter. All provisions of this chapter shall apply to the county surcharge on state tax. With respect to the surcharge, the director of taxation shall have all the rights and powers provided under this chapter. No county shall conduct an independent tax audit of sellers registered under the streamlined sales tax agreement. In addition, the director of taxation shall have the exclusive rights and power to determine the county or counties in which a person is engaged in business and, in the case of a person engaged in business in more than one county, the director shall determine, through apportionment or other means, that portion of the surcharge on state tax attributable to business conducted in each county."

SECTION 23. Section 237-9, Hawaii Revised Statutes, is amended to read as follows:

"§237-9 Licenses; penalty. (a) Except as provided in this section, any person who has a gross income or gross proceeds of sales or value of products upon which a privilege tax is imposed by this chapter, as a condition precedent to engaging or continuing in ~~[such]~~ the business, shall in writing apply for and obtain from the department of taxation, upon a one-time payment of the sum of \$20, a license to engage in and to conduct such business, upon condition that the person shall pay the taxes accruing to the State under this chapter, and the person shall thereby be duly licensed to engage in and conduct the business. Any person licensed or holding a license under this chapter before January 1, 1990, shall pay a one-time license renewal fee of \$20 on or before January 31, 1990, as a condition precedent to engaging or continuing in business. The license shall not be transferable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. The license may be inspected and examined, and shall at all times be conspicuously displayed at the place for which it is issued.

A seller registered under the streamlined sales and use tax agreement who is not otherwise obligated to obtain a license in the State is not required to obtain a license because of that registration.

(b) Licenses and applications therefor shall be in such form as the department shall prescribe, except that where the licensee is engaged in two or more forms of business of different classification, the license shall so state on its face. The license provided for by this section shall be effective until canceled in writing. Any application for the reissuance of a previously canceled license identification number after December 31, 1989, shall be regarded as a new license application and subject to the payment of the one-time license fee of \$20. The director may revoke or cancel any license issued under this chapter for cause as provided by rules adopted pursuant to chapter 91.

(c) If the license fee is paid, the department shall not refuse to issue a license or revoke or cancel a license for the exercise of a privilege protected by the First Amendment of the Constitution of the United States, or for the carrying on of interstate or foreign commerce, or for any privilege the exercise of which, under the Constitution and laws of the United States, cannot be restrained on account of nonpayment of taxes, nor shall section 237-46 be invoked to restrain the exercise of such a privilege, or the carrying on of ~~[such]~~ interstate or foreign commerce.

(d) The director may permit a person engaged in network marketing, multi-level marketing, or other similar business to obtain the license required under this section for purposes of becoming a tax collection agent on behalf of its direct sellers. The tax collection agent shall report, collect, and pay over the taxes due under this chapter and chapter 238 on behalf of its direct sellers who are covered by the tax collection agreement. The tax collection agent's direct sellers shall be deemed to be licensed under this chapter; provided that the licensure shall apply solely to the business activity conducted directly through the marketing arrangement. Under this section, a tax collection agent shall:

- (1) Notify all of its direct sellers making sales in the State that it has been designated to collect, report, and pay over the tax imposed by this chapter and chapter 238 on their behalf on the business activity conducted through the marketing arrangement;
- (2) If required by the director as a condition of obtaining the license, furnish with the annual return, a list (including identification numbers) of all direct sellers for the taxable year who have been provided (by the tax collection agent) information returns required under section 6041A of the Internal Revenue Code of 1986, as amended, and any other information that is relevant to ensure proper payment of taxes due under this section; and
- (3) Be personally liable for the taxes due and collected under the tax collection agreement if taxes are collected, but not reported or paid, together with penalties and interest as provided by law.

(e) The director may authorize a person to assume the obligation of self-accurring and remitting tax due on purchases or leases directly to the department under a direct payment authorization, if the following conditions are met:

- (1) The authorization is to be used for the purchase or lease of tangible personal property or services;
- (2) The authorization is necessary because it is either impractical at the time of acquisition to determine the manner in which the tangible personal property or services will be used or it will facilitate improved compliance with the tax laws of the State; and
- (3) The person requesting authorization for direct payment maintains accurate and complete records of all purchases or leases and uses of tangible personal property or services purchased pursuant to the direct payment authorization in a form acceptable to the department.

The department may identify items that are not eligible for a direct payment authorization.

~~(e)~~ (f) For the purposes of this section:

"Consumer product" shall include tangible consumer products and intangible consumer services.

"Direct seller" means any person who is engaged in the trade or business of selling (or soliciting the sale of) consumer products:

- (1) To any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis, that the director prescribes by rule adopted pursuant to chapter 91, for resale other than in a permanent retail establishment;
- (2) Other than in a permanent retail establishment; provided that:
 - (A) Substantially all the remuneration (whether or not paid in cash) for the sale of consumer products is directly related to sales or other output rather than to the number of hours worked; and
 - (B) The sales of consumer products by the person are performed pursuant to a written contract that provides that the person will not be treated as an employee with respect to those sales for federal or state tax purposes.

"Direct seller" includes individuals who realize remuneration dependent on the productivity of other individuals in the marketing arrangement.

"Network marketing" or "multi-level marketing" means a marketing arrangement in which consumer products are distributed and sold to or through direct sellers."

SECTION 24. Section 237-13, Hawaii Revised Statutes, is amended to read as follows:

"§237-13 Imposition of tax. There is hereby levied and shall be assessed and collected annually privilege taxes against persons on account of their business and other activities in the State measured by the application of rates against values of products, gross proceeds of sales, or gross income, whichever is specified, as follows:

~~(1) Tax on manufacturers.~~

~~(A) Upon every person engaging or continuing within the State in the business of manufacturing, including compounding, canning, preserving, packing, printing, publishing, milling, processing, refining, or preparing for sale, profit, or commercial use, either directly or through the activity of others, in whole or in part, any article or articles, substance or substances, commodity or commodities, the amount of the tax to be equal to the value of the articles, substances, or commodities, — manufactured, — compounded, — canned, — preserved, — packed, — printed, — milled, — processed, — refined, — or prepared for sale, as shown by the gross proceeds derived from the sale thereof by the manufacturer or person compounding, preparing, or printing them, multiplied by one-half of one per cent.~~

~~(B) The measure of the tax on manufacturers is the value of the entire product for sale, regardless of the place of sale or the fact that deliveries may be made to points outside the State.~~

~~(C) If any person liable for the tax on manufacturers ships or transports the person's product, or any part thereof, out of the State, whether in a finished or unfinished condition, or sells the same for delivery to points outside the State (for example, consigned to a mainland purchaser via common carrier f.o.b. Honolulu), the value of the products in the condition or form in which they exist immediately before entering interstate or foreign commerce, determined as hereinafter provided, shall be the basis for the assessment of the tax imposed by this paragraph. This tax shall be due and payable as of the date of entry of the products into interstate or foreign commerce, whether the products are then sold or not. The department shall determine the basis for assessment, as provided by this paragraph, as follows:~~

~~(i) If the products at the time of their entry into interstate or foreign commerce already have been sold, the gross proceeds of sale, less the transportation expenses, if any, incurred in realizing the gross proceeds for transportation from the time of entry of the products into interstate or foreign commerce, including insurance and storage in transit, shall be the measure of the value of the products;~~

~~(ii) If the products have not been sold at the time of their entry into interstate or foreign commerce, and in cases governed by clause (i) in which the products are sold under circumstances such that the gross proceeds of sale are not indicative of the true value of the products, the value of the products constituting the basis for assessment shall~~

- correspond as nearly as possible to the gross proceeds of sales for delivery outside the State, adjusted as provided in clause (i), or if sufficient data are not available, sales in the State, of similar products of like quality and character and in similar quantities, made by the taxpayer (unless not indicative of the true value) or by others. Sales outside the State, adjusted as provided in clause (i), may be considered when they constitute the best available data. The department shall prescribe uniform and equitable rules for ascertaining the values;
- (iii) At the election of the taxpayer and with the approval of the department, the taxpayer may make the taxpayer's returns under clause (i) even though the products have not been sold at the time of their entry into interstate or foreign commerce; and
- (iv) In all cases in which products leave the State in an unfinished condition, the basis for assessment shall be adjusted so as to deduct the portion of the value as is attributable to the finishing of the goods outside the State.
- (2) (1) Tax on business of selling tangible personal property[; producing]:
- (A) Upon every person engaging or continuing in the business of selling any tangible personal property [whatsoever] (not including, however, bonds or other evidence of indebtedness, or stocks), unless subject to chapter A, there is [likewise] hereby levied, and shall be assessed and collected, a tax equivalent to four per cent of the gross proceeds of sales of the business; [provided that insofar as the sale of tangible personal property is a wholesale sale under section 237-4(a)(8)(B), the sale shall be subject to section 237-13.3. Upon every person engaging or continuing within this State in the business of a producer, the tax shall be equal to one-half of one per cent of the gross proceeds of sales of the business, or the value of the products, for sale, if sold for delivery outside the State or shipped or transported out of the State, and the value of the products shall be determined in the same manner as the value of manufactured products covered in the cases under paragraph (1)(C);]
- (B) Gross proceeds of sales of tangible property, unless subject to chapter A, in interstate and foreign commerce shall constitute a part of the measure of the tax imposed on persons in the business of selling tangible personal property, to the extent, under the conditions, and in accordance with the provisions of the Constitution of the United States and the Acts of the Congress of the United States [which] that may be now in force or may be hereafter adopted, and whenever there occurs in the State an activity to which, under the Constitution and Acts of Congress, there may be attributed gross proceeds of sales, the gross proceeds shall be so attributed[-];
- (C) No manufacturer or producer, engaged in such business in the State and selling the manufacturer's or producer's products for delivery outside of the State (for example, consigned to a mainland purchaser via common carrier f.o.b. Honolulu), shall be required to pay the tax imposed in this chapter for the privilege of so selling the products, and the value or gross proceeds of sales of the products shall be included only in determining the measure of the tax imposed upon the manufacturer or producer.
- (D) (C) When a manufacturer, or a producer[;] as defined under section A-3, engaged in [such] the business of manufacturing or producing in the State, also is engaged in selling the manufacturer's or producer's products in the State at wholesale[;] and taxed under chapter A, retail, or in any other manner, the tax for the privilege of engaging in the business of selling the products in the State shall apply to the manufacturer or producer as well as the tax for the privilege of manufacturing or producing in the State, and the manufacturer or producer shall make the returns of the gross proceeds of the wholesale, retail, or other sales required for the privilege of selling in the State, as well as making the returns of the value or gross proceeds of sales of the products required for the privilege of manufacturing or producing in the State. The manufacturer or producer shall pay the tax imposed in this chapter for the privilege of selling its products in the State, and the value or gross proceeds of sales of the products, thus subjected to tax, may be deducted insofar as duplicated as to the same products by the measure of the tax upon the manufacturer or producer for the privilege of manufacturing or producing in the State[;] under chapter A; provided that no producer of agricultural products who sells the products to a purchaser who will process the products outside the State shall be required to pay the tax imposed in this chapter for the privilege of producing or selling those products[-]; and
- (E) (D) A taxpayer selling to a federal cost-plus contractor may make the election provided for by paragraph [(3)(C);] (2)(C), and in that case the tax shall be computed pursuant to the election, notwithstanding this paragraph [or paragraph (1)] to the contrary[-];
- (F) The department, by rule, may require that a seller take from the purchaser of tangible personal property a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:
- (i) Any purchaser who furnishes a certificate shall be obligated to pay to the seller, upon demand, the amount of the additional tax that is imposed upon the seller whenever the sale in fact is not at wholesale; and
- (ii) The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the sales of the business are exclusively at wholesale.
- (3) (2) Tax upon contractors[-];
- (A) Upon every person engaging or continuing within the State in the business of contracting, the tax shall be equal to four per cent of the gross income of the business[-];
- (B) In computing the tax levied under this paragraph, there shall be deducted from the gross income of the taxpayer so much thereof as has been included in the measure of the tax levied under subparagraph (A) or section 237-16, on:
- (i) Another taxpayer who is a contractor, as defined in section 237-6;
- (ii) A specialty contractor, duly licensed by the department of commerce and consumer affairs pursuant to section 444-9, in respect of the specialty contractor's business; or

- (iii) A specialty contractor who is not licensed by the department of commerce and consumer affairs pursuant to section 444-9, but who performs contracting activities on federal military installations and nowhere else in this State;

provided that any person claiming a deduction under this paragraph shall be required to show in the person's return the name and general excise number of the person paying the tax on the amount deducted by the person[-];
 - (C) In computing the tax levied under this paragraph against any federal cost-plus contractor, there shall be excluded from the gross income of the contractor so much thereof as fulfills the following requirements:
 - (i) The gross income exempted shall constitute reimbursement of costs incurred for materials, plant, or equipment purchased from a taxpayer licensed under this chapter, not exceeding the gross proceeds of sale of the taxpayer on account of the transaction; and
 - (ii) The taxpayer making the sale shall have certified to the department that the taxpayer is taxable with respect to the gross proceeds of the sale, and that the taxpayer elects to have the tax on gross income computed the same as upon a sale to the state government[-];
 - (D) A person who, as a business or as a part of a business in which the person is engaged, erects, constructs, or improves any building or structure, of any kind or description, or makes, constructs, or improves any road, street, sidewalk, sewer, or water system, or other improvements on land held by the person (whether held as a leasehold, fee simple, or otherwise), upon the sale or other disposition of the land or improvements, even if the work was not done pursuant to a contract, shall be liable to the same tax as if engaged in the business of contracting, unless the person shows that at the time the person was engaged in making the improvements the person intended, and for the period of at least one year after completion of the building, structure, or other improvements the person continued to intend to hold and not sell or otherwise dispose of the land or improvements. The tax in respect of the improvements shall be measured by the amount of the proceeds of the sale or other disposition that is attributable to the erection, construction, or improvement of [sueh] the building or structure, or the making, constructing, or improving of the road, street, sidewalk, sewer, or water system, or other improvements. The measure of tax in respect of the improvements shall not exceed the amount [which] that would have been taxable had the work been performed by another, subject as in other cases to the deductions allowed by subparagraph (B). Upon the election of the taxpayer, this paragraph may be applied notwithstanding that the improvements were not made by the taxpayer, or were not made as a business or as a part of a business, or were made with the intention of holding the same. However, this paragraph shall not apply in respect of any proceeds that constitute or are in the nature of rent; all [sueh] gross income shall be taxable under paragraph [(9):] (6); provided that insofar as the business of renting or leasing real property under a lease is taxed under section 237-16.5, the tax shall be levied by section 237-16.5[-];
- [(4)] (3) Tax upon theaters, amusements, radio broadcasting stations, etc.;
 - [(A)] Upon every person engaging or continuing within the State in the business of operating a theater, opera house, moving picture show, vaudeville, amusement park, dance hall, skating rink, radio broadcasting station, or any other place at which amusements are offered to the public, unless taxed under section A-6, the tax shall be equal to four per cent of the gross income of the business[-; and in the case of a sale of an amusement at wholesale under section 237-4(a)(13), the tax shall be subject to section 237-13.3.
 - [(B)] ~~The department may require that the person rendering an amusement at wholesale take from the licensed seller a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:~~
 - (i) ~~Any licensed seller who furnishes a certificate shall be obligated to pay to the person rendering the amusement, upon demand, the amount of additional tax that is imposed upon the seller whenever the sale is not at wholesale; and~~
 - (ii) ~~The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the person rendering the sale is exclusively rendering the amusement at wholesale.];~~
 - [(5)] (4) Tax upon sales representatives, etc. Upon every person classified as a representative or purchasing agent under section 237-1, engaging or continuing within the State in the business of performing services for another, other than as an employee, there is likewise hereby levied and shall be assessed and collected a tax equal to four per cent of the commissions and other compensation attributable to the services so rendered by the person[-; unless taxable under chapter A or C;
 - [(6)] (5) Tax on service business[-];
 - (A) Upon every person engaging or continuing within the State in any service business or calling including professional services not otherwise specifically taxed under this chapter, chapter A, or chapter C, there is likewise hereby levied and shall be assessed and collected a tax equal to four per cent of the gross income of the business[-; and in the case of a wholesaler under section 237-4(a)(10), the tax shall be equal to one-half of one per cent of the gross income of the business. Notwithstanding the foregoing, a wholesaler under section 237-4(a)(10) shall be subject to section 237-13.3.
 - [(B)] ~~The department may require that the person rendering a service at wholesale take from the licensed seller a certificate, in a form prescribed by the department, certifying that the sale is a sale at wholesale; provided that:~~
 - (i) ~~Any licensed seller who furnishes a certificate shall be obligated to pay to the person rendering the service, upon demand, the amount of additional tax that is imposed upon the seller whenever the sale is not at wholesale; and~~
 - (ii) ~~The absence of a certificate in itself shall give rise to the presumption that the sale is not at wholesale unless the person rendering the sale is exclusively rendering services at wholesale.~~

- (C) Where any person engaging or continuing within the State in any service business or calling renders those services upon the order of or at the request of another taxpayer who is engaged in the service business and who, in fact, acts as or acts in the nature of an intermediary between the person rendering those services and the ultimate recipient of the benefits of those services, so much of the gross income as is received by the person rendering the services shall be subjected to the tax at the rate of one-half of one per cent and all of the gross income received by the intermediary from the principal shall be subjected to a tax at the rate of four per cent. Where the taxpayer is subject to both this subparagraph and to the lowest tax rate under subparagraph (A), the taxpayer shall be taxed under this subparagraph. This subparagraph shall be repealed on January 1, 2006.];
- [~~(D)~~] (B) Where any person is engaged in the business of selling interstate or foreign common carrier [telecommunication] telecommunications services within and without the State, other than as a home service provider, the tax shall be imposed on that portion of gross income received by a person from service which is originated or terminated in this State and is charged to a telephone number, customer, or account in this State notwithstanding any other state law (except for the exemption under section 237-23(a)(1)) to the contrary. If, under the Constitution and laws of the United States, the entire gross income as determined under this paragraph of a business selling interstate or foreign common carrier [telecommunication] telecommunications services cannot be included in the measure of the tax, the gross income shall be apportioned as provided in section 237-21; provided that the apportionment factor and formula shall be the same for all persons providing those services in the State[-];
- [~~(E)~~] (C) Where any person is engaged in the business of a home service provider, the tax shall be imposed on the gross income received or derived from providing interstate or foreign mobile telecommunications services to a customer with a place of primary use in this State when [sueh] the services originate in one state and terminate in another state, territory, or foreign country; provided that all charges for mobile telecommunications services [which] that are billed by or for the home service provider are deemed to be provided by the home service provider at the customer's place of primary use, regardless of where the mobile telecommunications originate, terminate, or pass through; provided further that the income from charges specifically derived from interstate or foreign mobile telecommunications services, as determined by books and records that are kept in the regular course of business by the home service provider in accordance with section 239-24, shall be apportioned under any apportionment factor or formula adopted under [section 237-13(6)(D)-] subparagraph (B). Gross income shall not include:
- (i) Gross receipts from mobile telecommunications services provided to a customer with a place of primary use outside this State;
 - (ii) Gross receipts from mobile telecommunications services that are subject to the tax imposed by chapter 239;
 - (iii) Gross receipts from mobile telecommunications services taxed under section 237-13.8; and
 - (iv) Gross receipts of a home service provider acting as a serving carrier providing mobile telecommunications services to another home service provider's customer.
- For the purposes of this paragraph, "charges for mobile telecommunications services", "customer", "home service provider", "mobile telecommunications services", "place of primary use", and "serving carrier" have the same meaning as in section 239-22[-]; and
- [~~(7)~~] Tax on producers. Upon every person engaged as a licensed producer pursuant to chapter 431, there is hereby levied and shall be assessed and collected a tax equal to 0.15 per cent of the commissions due to that activity.
- (8) Tax on receipts of sugar benefit payments. Upon the amounts received from the United States government by any producer of sugar (or the producer's legal representative or heirs), as defined under and by virtue of the Sugar Act of 1948, as amended, or other Acts of the Congress of the United States relating thereto, there is hereby levied a tax of one-half of one per cent of the gross amount received; provided that the tax levied hereunder on any amount so received and actually disbursed to another by a producer in the form of a benefit payment shall be paid by the person or persons to whom the amount is actually disbursed, and the producer actually making a benefit payment to another shall be entitled to claim on the producer's return a deduction from the gross amount taxable hereunder in the sum of the amount so disbursed. The amounts taxed under this paragraph shall not be taxable under any other paragraph, subsection, or section of this chapter.
- [~~(9)~~] (6) Tax on other business. Upon every person engaging or continuing within the State in any business, trade, activity, occupation, or calling not included in the preceding paragraphs or any other provisions of this chapter, there is likewise hereby levied and shall be assessed and collected, a tax equal to four per cent of the gross income thereof. In addition, the rate prescribed by this paragraph shall apply to a business taxable under one or more of the preceding paragraphs or other provisions of this chapter, as to any gross income thereof not taxed thereunder as gross income or gross proceeds of sales or by taxing an equivalent value of products, unless specifically exempted[-] or subject to tax under chapter A or chapter C."
- SECTION 25. Section 237-18, Hawaii Revised Statutes, amended to read as follows:
- "§237-18 Further provisions as to application of tax.** (a) Where a coin operated device produces gross income which is divided between the owner or operator of the device, on the one hand, and the owner or operator of the premises where the device is located, on the other hand, the tax imposed by this chapter shall apply to each [sueh] person with respect to the person's portion of the proceeds, and no more.
- (b) Where gate receipts or other admissions are divided between the person furnishing or producing a play, concert, lecture, athletic event, or similar spectacle (including any motion picture showing) on the one hand, and a promoter (including any proprietor or other operator of a motion picture house) offering the spectacle to the public, on the other hand, the tax imposed by this chapter, if the promoter is subject to the

tax imposed by this chapter, shall apply only to the promoter measured by the whole of the proceeds, and the promoter shall be authorized to deduct and withhold from the portion of the proceeds payable to the person furnishing or producing the spectacle the amount of the tax payable by the person upon such portion. No tax shall apply to a promoter with respect to ~~[such]~~ the portion of the proceeds as is payable to a person furnishing or producing the spectacle, who is exempted by section 237-23 from taxation upon ~~[such]~~ the activity.

~~[(e) Where, through the activity of a person taxable under section 237-13(6), a product has been milled, processed, or otherwise manufactured upon the order of another taxpayer who is a manufacturer taxable upon the value of the entire manufactured products, which consists in part of the value of the services taxable under section 237-13(6), so much gross income as is derived from the rendering of the services shall be subjected to tax on the person rendering the services at the rate of one-half of one per cent, and the value of the entire product shall be included in the measure of the tax imposed on the other taxpayer as elsewhere provided.~~

~~(d) Where, through the activity of a person taxable under section 237-13(6), there have been rendered to a cane planter services consisting in the harvesting or hauling of the cane, or consisting in road maintenance, under a contract between the person rendering the services and the cane planter, covering the services and also the milling of the sugar, the services of harvesting and hauling the cane and road maintenance shall be treated the same as the service of milling the cane, as provided by subsection (c), and the value of the entire product, manufactured or sold for the cane planter under the contract, shall be included in the measure of the tax imposed on the person as elsewhere provided.~~

~~(e) [(c) Where [insurance agents, including general agents, subagents, or solicitors, who are not employees and are licensed pursuant to chapter 431, or] real estate brokers or salespersons, who are not employees and are licensed pursuant to chapter 467, produce commissions [which] that are divided between [such general agents, subagents, or solicitors, or between such] real estate brokers or salespersons, [as the case may be,] the tax levied under section [237-13(6)] 237-13(5) as to real estate brokers or salespersons[or under section 237-13(7) as to insurance general agents, subagents, or solicitors] shall apply to each [such] person with respect to the person's portion of the commissions, and no more.~~

~~[(f)] (d) Where tourism related services are furnished through arrangements made by a travel agency or tour packager and the gross income is divided between the provider of the services and the travel agency or tour packager, the tax imposed by this chapter shall apply to each [such] person with respect to [such] the person's respective portion of the proceeds, and no more.~~

As used in this subsection "tourism related services" means catamaran cruises, canoe rides, dinner cruises, lei greetings, transportation included in a tour package, sightseeing tours not subject to chapter 239, admissions to luaus, dinner shows, extravaganzas, cultural and educational facilities, and other services rendered directly to the customer or tourist, but only if the providers of the services other than air transportation are subject to a four per cent tax under this chapter or chapter 239.

~~[(g)] (e) Where transient accommodations are furnished through arrangements made by a travel agency or tour packager at noncommissioned negotiated contract rates and the gross income is divided between the operator of transient accommodations on the one hand and the travel agency or tour packager on the other hand, the tax imposed by this chapter shall apply to each [such] person with respect to [such] the person's respective portion of the proceeds, and no more.~~

As used in this subsection, the words "transient accommodations" and "operator" shall be defined in the same manner as they are defined in section 237D-1.

~~[(h)] (f) Where the transportation of passengers or property is furnished through arrangements between motor carriers, and the gross income is divided between the motor carriers, any tax imposed by this chapter shall apply to each motor carrier with respect to each motor carrier's respective portion of the proceeds.~~

As used in this subsection:

"Carrier" means a person who engages in transportation, and does not include a person such as a freight forwarder or tour packager who provides transportation by contracting with others, except to the extent that ~~[such]~~ the person ~~[oneself]~~ engages in transportation.

"Contract carrier" means a person other than a public utility as defined under section 239-2 or taxicab, which under contracts or agreements, engages in the transportation of persons or property for compensation, by land, water, or air.

"Motor carrier" means a common carrier or contract carrier transporting persons or property for compensation on the public highways, other than a public utility as defined under section 239-2 or taxicab.

"Public highways" has the meaning defined by section 264-1 including both state and county highways, but operation upon rails shall not be deemed transportation on the public highways."

SECTION 26. Section 237-21, Hawaii Revised Statutes, is amended to read as follows:

"§237-21 Apportionment. If any person~~[or other than persons liable to the tax on manufacturers as provided by section 237-13(1);]~~ is engaged in business both within and without the State or in selling goods for delivery outside the State, and if under the Constitution or laws of the United States or section 237-29.5 the entire gross income of ~~[such]~~ the person cannot be included in the measure of this tax, there shall be apportioned to the State and included in the measure of the tax that portion of the gross income ~~[which] that~~ is derived from activities within the State, to the extent that the apportionment is required by the Constitution or laws of the United States or section 237-29.5. ~~[In the case of a tax upon the production of property in the State the apportionment shall be determined as in the case of the tax on manufacturers.]~~ In other cases, if and to the extent that the apportionment cannot be accurately made by separate accounting methods, there shall be apportioned to the State and included in the measure of this tax that proportion of the total gross income, so requiring apportionment, which the cost of doing business within the State, applicable to the gross income, bears to the cost of doing business both within and without the State, applicable to the gross income."

SECTION 27. Section 237-24, Hawaii Revised Statutes, is amended to read as follows:

"§237-24 Amounts not taxable. This chapter shall not apply to the following amounts:

- (1) Amounts received under life insurance policies and contracts paid by reason of the death of the insured;
- (2) Amounts received (other than amounts paid by reason of death of the insured) under life insurance, endowment, or annuity contracts, either during the term or at maturity or upon surrender of the contract;
- (3) Amounts received under any accident insurance or health insurance policy or contract or under workers' compensation acts or employers' liability acts, as compensation for personal injuries, death, or sickness, including also the amount of any damages or other compensation received, whether as a result of action or by private agreement between the parties on account of the personal injuries, death, or sickness;
- (4) The value of all property of every kind and sort acquired by gift, bequest, or devise, and the value of all property acquired by descent or inheritance;
- (5) Amounts received by any person as compensatory damages for any tort injury to the person, or to the person's character reputation, or received as

- compensatory damages for any tort injury to or destruction of property, whether as the result of action or by private agreement between the parties (provided that amounts received as punitive damages for tort injury or breach of contract injury shall be included in gross income);
- (6) Amounts received as salaries or wages for services rendered by an employee to an employer;
 - (7) Amounts received as alimony and other similar payments and settlements;
 - (8) Amounts collected by distributors as fuel taxes on "liquid fuel" imposed by chapter 243, and the amounts collected by ~~[such]~~ distributors as a fuel tax imposed by any Act of the Congress of the United States;
 - (9) Taxes on liquor imposed by chapter 244D on dealers holding permits under that chapter;
 - ~~[(10) The amounts of taxes on cigarettes and tobacco products imposed by chapter 245 on wholesalers or dealers holding licenses under that chapter and selling the products at wholesale;~~
 - ~~[(11) (10) Federal excise taxes imposed on articles sold at retail and collected from the purchasers thereof and paid to the federal government by the retailer;~~
 - ~~[(12) The amounts of federal taxes under chapter 37 of the Internal Revenue Code, or similar federal taxes, imposed on sugar manufactured in the State, paid by the manufacturer to the federal government;~~
 - ~~[(13) (11) [An amount up to, but not in excess of, \$2,000 a year of gross income] Amounts received by any blind, deaf, or totally disabled person engaging, or continuing, in any business, trade, activity, occupation, or calling within the State; a corporation all of whose outstanding shares are owned by an individual or individuals who are blind, deaf, or totally disabled; a general, limited, or limited liability partnership, all of whose partners are blind, deaf, or totally disabled; or a limited liability company, all of whose members are blind, deaf, or totally disabled;~~
 - ~~[(14) Amounts received by a producer of sugarcane from the manufacturer to whom the producer sells the sugarcane, where:

 - ~~(A) The producer is an independent cane farmer, so classed by the Secretary of Agriculture under the Sugar Act of 1948 (61 Stat. 922, Chapter 519) as the Act may be amended or supplemented;~~
 - ~~(B) The value or gross proceeds of sale of the sugar, and other products manufactured from the sugarcane, is included in the measure of the tax levied on the manufacturer under section 237-13(1) or (2);~~
 - ~~(C) The producer's gross proceeds of sales are dependent upon the actual value of the products manufactured therefrom or the average value of all similar products manufactured by the manufacturer; and~~
 - ~~(D) The producer's gross proceeds of sales are reduced by reason of the tax on the value or sale of the manufactured products;~~~~
 - ~~[(15) (12) Money paid by the State or eleemosynary child-placing organizations to foster parents for their care of children in foster homes; and~~
 - ~~[(16) (13) Amounts received by a cooperative housing corporation from its shareholders in reimbursement of funds paid by [such] the corporation for lease rental, real property taxes, and other expenses of operating and maintaining the cooperative land and improvements; provided that [such-a] the cooperative corporation is a corporation:

 - (A) Having one and only one class of stock outstanding;
 - (B) Each of the stockholders of which is entitled solely by reason of the stockholder's ownership of stock in the corporation, to occupy for dwelling purposes a house, or an apartment in a building owned or leased by the corporation; and
 - (C) No stockholder of which is entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the corporation except in a complete or partial liquidation of the corporation."~~
- SECTION 28. Section 237-24.3, Hawaii Revised Statutes, is amended to read as follows:
- "§237-24.3 Additional amounts not taxable.** In addition to the amounts not taxable under section 237-24, this chapter shall not apply to:
- (1) Amounts received from the loading, transportation, and unloading of agricultural commodities shipped for a producer or produce dealer on one island of this State to a person, firm, or organization on another island of this State. The terms "agricultural commodity", "producer", and "produce dealer" shall be defined in the same manner as they are defined in section 147-1; provided that agricultural commodities need not have been produced in the State;
 - (2) Amounts received from sales of:
 - (A) Intoxicating liquor as the term "liquor" is defined in chapter 244D;
 - (B) Cigarettes and tobacco products as defined in chapter 245; and
 - (C) Agricultural, meat, or fish products; to any person or common carrier in interstate or foreign commerce, or both, whether ocean-going or air, for consumption out-of-state on the shipper's vessels or airplanes;
 - (3) Amounts received by the manager or board of directors of:
 - (A) An association of apartment owners of a condominium property regime established in accordance with chapter 514B; or
 - (B) A nonprofit homeowners or community association incorporated in accordance with chapter 414D or any predecessor thereto and existing pursuant to covenants running with the land, in reimbursement of sums paid for common expenses;
 - (4) Amounts received or accrued from:
 - (A) The loading or unloading of cargo from ships, barges, vessels, or aircraft, whether or not the ships, barges, vessels, or aircraft travel between the State and other states or countries or between the islands of the State;
 - (B) Tugboat services including pilotage fees performed within the State, and the towage of ships, barges, or vessels in and out of state harbors, or from one pier to another; and
 - (C) The transportation of pilots or governmental officials to ships, barges, or vessels offshore; rigging gear; checking freight and similar services; standby charges; and use of moorings and running mooring lines;
 - (5) Amounts received by an employee benefit plan by way of contributions, dividends, interest, and other income; and amounts received by a nonprofit organization or office, as payments for costs and expenses incurred for the administration of an employee benefit plan; provided that this exemption shall not apply to any gross rental income or gross rental proceeds received after June 30, 1994, as income from investments in real property in this State; and provided further that gross rental income or gross rental proceeds from investments in real property received by an employee

benefit plan after June 30, 1994, under written contracts executed prior to July 1, 1994, shall not be taxed until the contracts are renegotiated, renewed, or extended, or until after December 31, 1998, whichever is earlier. For the purposes of this paragraph, "employee benefit plan" means any plan as defined in section 1002(3) of title 29 of the United States Code, as amended;

- (6) Amounts received for purchases made with United States Department of Agriculture food coupons under the federal food stamp program, and amounts received for purchases made with United States Department of Agriculture food vouchers under the Special Supplemental Foods Program for Women, Infants and Children;
- (7) Amounts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer the drug to an individual for selling prescription drugs or prosthetic devices to an individual; provided that this paragraph shall not apply to any amounts received for services provided in selling prescription drugs or prosthetic devices. As used in this paragraph:
 - (A) "Prescription drugs" are those drugs defined under section 328-1 and dispensed by filling or refilling a written or oral prescription by a practitioner licensed under law to administer the drug and sold by a licensed pharmacist under section 328-16 or practitioners licensed to administer drugs; and
 - (B) "Prosthetic device" means ~~[any artificial device or appliance, instrument, apparatus, or contrivance, including their components, parts, accessories, and replacements thereof, used to replace a missing or surgically removed part of the human body, which is prescribed by a licensed practitioner of medicine, osteopathy, or podiatry and which is sold by the practitioner or which is dispensed and sold by a dealer of prosthetic devices; provided that "prosthetic device" shall not mean any auditory, ophthalmic, dental, or ocular device or appliance, instrument, apparatus, or contrivance;]~~ a replacement, corrective, or supportive device including repair and replacement parts for the device, worn on or in the body to:
 - (i) Artificially replace a missing portion of the body;
 - (ii) Prevent or correct physical deformity or malfunction; or
 - (iii) Support a weak or deformed portion of the body.

A prosthetic device does not include corrective eyeglasses, contact lenses, hearing aids, and dental prosthesis;
- (8) Taxes on transient accommodations imposed by chapter 237D and passed on and collected by operators holding certificates of registration under that chapter;
- (9) Amounts received as dues by an unincorporated merchants association from its membership for advertising media, promotional, and advertising costs for the promotion of the association for the benefit of its members as a whole and not for the benefit of an individual member or group of members less than the entire membership;
- (10) Amounts received by a labor organization for real property leased to:
 - (A) A labor organization; or
 - (B) A trust fund established by a labor organization for the benefit of its members, families, and dependents for medical or hospital care, pensions on retirement or death of employees,

apprenticeship and training, and other membership service programs.

As used in this paragraph, "labor organization" means a labor organization exempt from federal income tax under section 501(c)(5) of the Internal Revenue Code, as amended;

- (11) Amounts received from foreign diplomats and consular officials who are holding cards issued or authorized by the United States Department of State granting them an exemption from state taxes; and
- (12) Amounts received as rent for the rental or leasing of aircraft or aircraft engines used by the lessees or renters for interstate air transportation of passengers and goods. For purposes of this paragraph, payments made pursuant to a lease shall be considered rent regardless of whether the lease is an operating lease or a financing lease. The definition of "interstate air transportation" is the same as in 49 U.S.C. 40102."

SECTION 29. Section 237-34, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) All tax returns and return information required to be filed under this chapter, and the report of any investigation of the return or of the subject matter of the return, shall be confidential. It shall be unlawful for any person or any officer or employee of the State to intentionally make known information imparted by any tax return or return information filed pursuant to this chapter, or any report of any investigation of the return or of the subject matter of the return, or to wilfully permit any ~~such~~ return, return information, or report so made, or any copy thereof, to be seen or examined by any person; provided that for tax purposes only the taxpayer, the taxpayer's authorized agent, or persons with a material interest in the return, return information, or report may examine them. Unless otherwise provided by law, persons with a material interest in the return, return information, or report shall include:

- (1) Trustees;
- (2) Partners;
- (3) Persons named in a board resolution or a one per cent shareholder in case of a corporate return;
- (4) The person authorized to act for a corporation in dissolution;
- (5) The shareholder of an S corporation;
- (6) The personal representative, trustee, heir, or beneficiary of an estate or trust in case of the estate's or decedent's return;
- (7) The committee, trustee, or guardian of any person in paragraphs (1) to (6) who is incompetent;
- (8) The trustee in bankruptcy or receiver, and the attorney-in-fact of any person in paragraphs (1) to (7);
- (9) Persons duly authorized by the State in connection with their official duties;
- (10) Any duly accredited tax official of the United States or of any state or territory;
- (11) The Multistate Tax Commission or its authorized representative;
- (12) Members of a limited liability company; ~~and~~
- (13) A person contractually obligated to pay the taxes assessed against another when the latter person is under audit by the department[-]; and
- (14) The Streamlined Sales Tax Governing Board, Incorporated, or its authorized representative.

Any violation of this subsection shall be a misdemeanor."

SECTION 30. Section 238-2, Hawaii Revised Statutes, is amended to read as follows:

"§238-2 Imposition of tax on tangible personal property; exemptions. There is hereby levied an excise tax on the use in this State of tangible personal property ~~[which] that~~ is imported by a taxpayer in this State whether owned, purchased from an unlicensed seller, or however acquired for use in this State[-], unless subject to tax or exempt from tax under chapter B. The tax imposed by this chapter shall accrue when the property is

acquired by the importer or purchaser and becomes subject to the taxing jurisdiction of the State. The [rates] rate of the tax hereby imposed [and the exemptions thereof are as follows:

(1) If the importer or purchaser is licensed under chapter 237 and is:

- (A) A wholesaler or jobber importing or purchasing for purposes of sale or resale; or
- (B) A manufacturer importing or purchasing material or commodities which are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) wherein it will remain in such form as to be perceptible to the senses, and which finished or saleable product is to be sold in such manner as to result in a further tax on the activity of the manufacturer as the manufacturer or as a wholesaler, and not as a retailer;

there shall be no tax; provided that if the wholesaler, jobber, or manufacturer is also engaged in business as a retailer (so classed under chapter 237), paragraph (2) shall apply to the wholesaler, jobber, or manufacturer, but the director of taxation shall refund to the wholesaler, jobber, or manufacturer, in the manner provided under section 231-23(c) such amount of tax as the wholesaler, jobber, or manufacturer shall, to the satisfaction of the director, establish to have been paid by the wholesaler, jobber, or manufacturer to the director with respect to property which has been used by the wholesaler, jobber, or manufacturer for the purposes stated in this paragraph;

(2) If the importer or purchaser is licensed under chapter 237 and is:

- (A) A retailer or other person importing or purchasing for purposes of sale or resale, not exempted by paragraph (1);
- (B) A manufacturer importing or purchasing material or commodities which are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) wherein it will remain in such form as to be perceptible to the senses, and which finished or saleable product is to be sold at retail in this State, in such manner as to result in a further tax on the activity of the manufacturer in selling such products at retail;
- (C) A contractor importing or purchasing material or commodities which are to be incorporated by the contractor into the finished work or project required by the contract and which will remain in such finished work or project in such form as to be perceptible to the senses;
- (D) A person engaged in a service business or calling as defined in section 237-7, or a person furnishing transient accommodations subject to the tax imposed by section 237D-2, in which the import or purchase of tangible personal property would have qualified as a sale at wholesale as defined in section 237-4(a)(8) had the seller of the property been subject to the tax in chapter 237; or
- (E) A publisher of magazines or similar printed materials containing advertisements, when the publisher is under contract with the advertisers to distribute a minimum number of magazines or similar printed materials to the public or defined segment of the public, whether or not there is a charge to the persons who actually receive the magazines or similar printed materials;

the tax shall be one-half of one per cent of the purchase price of the property, if the purchase and sale are consummated in Hawaii; or, if there is no purchase

price applicable thereto, or if the purchase or sale is consummated outside of Hawaii, then one-half of one per cent of the value of such property; and

(3) In all other cases,] is four per cent of the value of the property.

For purposes of this section, tangible personal property is property that is imported by the taxpayer for use in this State, notwithstanding the fact that title to the property, or the risk of loss to the property, passes to the purchaser of the property at a location outside this State."

SECTION 31. Section 238-2.3, Hawaii Revised Statutes, is amended to read as follows:

"§238-2.3 Imposition of tax on imported services or contracting; exemptions. There is hereby levied an excise tax on the value of services or contracting as defined in section 237-6 that are performed by an unlicensed seller at a point outside the State and imported or purchased for use in this State[-], unless subject to tax or exempt from tax under chapter

B. The tax imposed by this chapter shall accrue when the service or contracting as defined in section 237-6 is received by the importer or purchaser and becomes subject to the taxing jurisdiction of the State. The [rates] rate of the tax hereby imposed [and the exemptions from the tax are as follows:

(1) If the importer or purchaser is licensed under chapter 237 and is:

- (A) Engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income of the importer or purchaser is subject to the tax imposed under chapter 237 on services at the rate of one-half of one per cent or the rate of tax imposed under section 237-13.3; or
- (B) A manufacturer importing or purchasing services or contracting that become identifiable elements, excluding overhead, of a finished or saleable product (including the container or package in which the product is contained) and the finished or saleable product is to be sold in a manner that results in a further tax on the manufacturer as a wholesaler, and not a retailer;

there shall be no tax imposed on the value of the imported or purchased services or contracting; provided that if the manufacturer is also engaged in business as a retailer as classified under chapter 237, paragraph (2) shall apply to the manufacturer, but the director of taxation shall refund to the manufacturer, in the manner provided under section 231-23(c), that amount of tax that the manufacturer, to the satisfaction of the director, shall establish to have been paid by the manufacturer to the director with respect to services that have been used by the manufacturer for the purposes stated in this paragraph.

(2) If the importer or purchaser is a person licensed under chapter 237 and is:

- (A) Engaged in a service business or calling in which the imported or purchased services or contracting become identifiable elements, excluding overhead, of the services rendered by the importer or purchaser, and the gross income from those services when sold by the importer or purchaser is subject to the tax imposed under chapter 237 at the highest rate;
- (B) A manufacturer importing or purchasing services or contracting that become identifiable elements, excluding overhead, of the finished or saleable manufactured product (including the container or package in which the product is contained) and the finished or saleable product is to be sold in a manner that results in a further tax under chapter

~~237 on the activity of the manufacturer as a retailer; or~~

- (C) ~~A contractor importing or purchasing services or contracting that become identifiable elements, excluding overhead, of the finished work or project required, under the contract, and where the gross proceeds derived by the contractor are subject to the tax under section 237-13(3) as a contractor;~~

~~the tax shall be one-half of one per cent of the value of the imported or purchased services or contracting; and~~

- (3) ~~In all other cases, the importer or purchaser is subject to the tax at the rate of] is four per cent on the value of the imported or purchased services or contracting."~~

SECTION 32. Section 238-2.6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The county surcharge on state tax, upon the adoption of a county ordinance and in accordance with the requirements of section 46-16.8, shall be levied, assessed, and collected as provided in this section on the value of property and services taxable under this chapter. No county shall set the surcharge on state tax at a rate greater than one-half of one per cent of the value of property taxable under this chapter. All provisions of this chapter shall apply to the county surcharge on state tax. No county shall conduct an independent audit of sellers registered under the streamlined sales tax agreement. With respect to the surcharge, the director shall have all the rights and powers provided under this chapter. In addition, the director of taxation shall have the exclusive rights and power to determine the county or counties in which a person imports or purchases tangible personal property and, in the case of a person importing or purchasing tangible property in more than one county, the director shall determine, through apportionment or other means, that portion of the surcharge on state tax attributable to the importation or purchase in each county."

SECTION 33. Section 237-4, Hawaii Revised Statutes, is repealed.

~~["§237-4 "Wholesaler", "jobber", defined. (a) "Wholesaler" or "jobber" applies only to a person making sales at wholesale. Only the following are sales at wholesale:~~

- (1) ~~Sales to a licensed retail merchant, jobber, or other licensed seller for purposes of resale;~~
- (2) ~~Sales to a licensed manufacturer of materials or commodities that are to be incorporated by the manufacturer into a finished or saleable product (including the container or package in which the product is contained) during the course of its preservation, manufacture, or processing, including preparation for market, and that will remain in such finished or saleable product in such form as to be perceptible to the senses, which finished or saleable product is to be sold and not otherwise used by the manufacturer;~~
- (3) ~~Sales to a licensed producer or cooperative association of materials or commodities that are to be incorporated by the producer or by the cooperative association into a finished or saleable product that is to be sold and not otherwise used by the producer or cooperative association, including specifically materials or commodities expended as essential to the planting, growth, nurturing, and production of commodities that are sold by the producer or by the cooperative association;~~
- (4) ~~Sales to a licensed contractor, of materials or commodities that are to be incorporated by the contractor into the finished work or project required by the contract and that will remain in such finished work or project in such form as to be perceptible to the senses;~~
- (5) ~~Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to~~

~~a licensed producer, or to a licensed person operating a feed lot, of poultry or animal feed, hatching eggs, semen, replacement stock, breeding services for the purpose of raising or producing animal or poultry products for disposition as described in section 237-5 or for incorporation into a manufactured product as described in paragraph (2) or for the purpose of breeding, hatching, milking, or egg laying other than for the customer's own consumption of the meat, poultry, eggs, or milk so produced; provided that in the case of a feed lot operator, only the segregated cost of the feed furnished by the feed lot operator as part of the feed lot operator's service to a licensed producer of poultry or animals to be butchered or to a cooperative association described in section 237-23(a)(7) of such licensed producers shall be deemed to be a sale at wholesale; and provided further that any amount derived from the furnishing of feed lot services, other than the segregated cost of feed, shall be deemed taxable at the service business rate. This paragraph shall not apply to the sale of feed for poultry or animals to be used for hauling, transportation, or sports purposes;~~

- (6) ~~Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to the producer, of seed or seedstock for producing agricultural and aquacultural products, or bait for catching fish (including the catching of bait for catching fish), which agricultural and aquacultural products or fish are to be disposed of as described in section 237-5 or to be incorporated in a manufactured product as described in paragraph (2);~~
 - (7) ~~Sales to a licensed producer, or to a cooperative association described in section 237-23(a)(7) for sale to such producer, of polypropylene shade cloth; of polyfilm; of polyethylene film; of cartons and such other containers, wrappers, and sacks, and binders to be used for packaging eggs, vegetables, fruits, and other agricultural and aquacultural products; of seedlings and cuttings for producing nursery plants or aquacultural products; or of chick containers; which cartons and such other containers, wrappers, and sacks, binders, seedlings, cuttings, and containers are to be used as described in section 237-5, or to be incorporated in a manufactured product as described in paragraph (2);~~
 - (8) ~~Sales of tangible personal property:~~
 - (A) ~~To a licensed seller engaged in a service business or calling; provided that:~~
 - (i) ~~The property is not consumed or incidental to the performance of the services;~~
 - (ii) ~~There is a resale of the article at the retail rate of four per cent; and~~
 - (iii) ~~The resale of the article is separately charged or billed by the person rendering the services;~~
 - (B) ~~Where:~~
 - (i) ~~Tangible personal property is sold upon the order or request of a licensed seller for the purpose of rendering a service in the course of the person's service business or calling, or upon the order or request of a person subject to tax under section 237D-2 for the purpose of furnishing transient accommodations;~~
 - (ii) ~~The tangible personal property becomes or is used as an identifiable element of the service rendered; and~~
 - (iii) ~~The cost of the tangible personal property does not constitute overhead to the licensed seller;~~
- ~~the sale shall be subject to section 237-13.3; or~~

- (C) Where the taxpayer is subject to both subparagraphs (A) and (B), then the taxpayer shall be taxed under subparagraph (A). Subparagraphs (A) and (C) shall be repealed on January 1, 2006;
- (9) Sales to a licensed leasing company of capital goods that have a depreciable life, are purchased by the leasing company for lease to its customers, and are thereafter leased as a service to others;
- (10) Sales of services to a licensed seller engaging in a business or calling whenever:
- (A) Either:
- (i) In the context of a service-to-service transaction, a service is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling;
 - (ii) In the context of a service-to-tangible personal property transaction, a service is rendered upon the order or request of a licensed seller for the purpose of manufacturing, producing, or preparing tangible personal property to be sold;
 - (iii) In the context of a services-to-contracting transaction, a service is rendered upon the order or request of a licensed contractor as defined in section 237-6 for the purpose of assisting that licensed contractor; or
 - (iv) In the context of a services-to-transient accommodations rental transaction, a service is rendered upon the order or request of a person subject to tax under section 237D-2 for the purpose of furnishing transient accommodations;
- (B) The benefit of the service passes to the customer of the licensed seller, licensed contractor, or person furnishing transient accommodations as an identifiable element of the other service or property to be sold, the contracting, or the furnishing of transient accommodations;
- (C) The cost of the service does not constitute overhead to the licensed seller, licensed contractor, or person furnishing transient accommodations;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, contractor, or person furnishing transient accommodations for imposition of the tax under this chapter;
- (E) The gross income of the licensed seller is not subject to a deduction under this chapter or chapter 237D; and
- (F) The resale of the service, tangible personal property, contracting, or transient accommodations is subject to the tax imposed under this chapter at the highest tax rate.
- Sales subject to this paragraph shall be subject to section 237-13.3;
- (11) Sales to a licensed retail merchant, jobber, or other licensed seller of bulk condiments or prepackaged single-serving packets of condiments that are provided to customers by the licensed retail merchant, jobber, or other licensed seller;
- (12) Sales to a licensed retail merchant, jobber, or other licensed seller of tangible personal property that will be incorporated or processed by the licensed retail merchant, jobber, or other licensed seller into a finished or saleable product during the course of its preparation for market (including disposable, nonreturnable containers, packages, or wrappers, in which the product is contained and that are generally known and most commonly used to contain food or beverage for transfer or delivery), and which finished or saleable product is to be sold and not otherwise used by the licensed retail merchant, jobber, or other licensed seller;
- (13) Sales of amusements subject to taxation under section 237-13(4) to a licensed seller engaging in a business or calling whenever:
- (A) Either:
- (i) In the context of an amusement-to-service transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another service in the course of the seller's service business or calling;
 - (ii) In the context of an amusement-to-tangible personal property transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of selling tangible personal property; or
 - (iii) In the context of an amusement-to-amusement transaction, an amusement is rendered upon the order or request of a licensed seller for the purpose of rendering another amusement in the course of the person's amusement business;
- (B) The benefit of the amusement passes to the customer of the licensed seller as an identifiable element of the other service, tangible personal property to be sold, or amusement;
- (C) The cost of the amusement does not constitute overhead to the licensed seller;
- (D) The gross income of the licensed seller is not divided between the licensed seller and another licensed seller, person furnishing transient accommodations, or person rendering an amusement for imposition of the tax under chapter 237;
- (E) The gross income of the licensed seller is not subject to a deduction under this chapter; and
- (F) The resale of the service, tangible personal property, or amusement is subject to the tax imposed under this chapter at the highest rate.
- As used in this paragraph, "amusement" means entertainment provided as part of a show for which there is an admission charge. Sales subject to this paragraph shall be subject to section 237-13.3; and
- (14) Sales by a printer to a publisher of magazines or similar printed materials containing advertisements, when the publisher is under contract with the advertisers to distribute a minimum number of magazines or similar printed materials to the public or defined segment of the public, whether or not there is a charge to the persons who actually receive the magazines or similar printed materials:
- (b) If the use tax law is finally held by a court of competent jurisdiction to be unconstitutional or invalid insofar as it purports to tax the use or consumption of tangible personal property imported into the State in interstate or foreign commerce or both, wholesalers and jobbers shall be taxed thereafter under this chapter in accordance with the following definition (which shall supersede the preceding paragraph otherwise defining "wholesaler" or "jobber"): "Wholesaler" or "jobber" means a person, or a definitely organized division thereof, definitely organized to render and rendering a general distribution service that buys and maintains at the person's place of business a stock or lines of merchandise that the person distributes; and that the person, through salespersons, advertising, or sales promotion devices, sells to licensed retailers, to institutional or licensed commercial or industrial users, in wholesale quantities and at wholesale rates. A

corporation deemed not to be carrying on a trade or business in this State under section 235-6 shall nevertheless be deemed to be a wholesaler and shall be subject to the tax imposed by this chapter.”]

SECTION 34. Section 237-5, Hawaii Revised Statutes, is repealed.

["~~§237-5 "Producer" defined.~~ "Producer" means any person engaged in the business of raising and producing agricultural products in their natural state, or in producing natural resource products, or engaged in the business of fishing or aquaculture, for sale, or for shipment or transportation out of the State, of the agricultural or aquaculture products in their natural or processed state, or butchered and dressed, or the natural resource products, or fish.

As used in this section "agricultural products" include floricultural, horticultural, viticultural, forestry, nut, coffee, dairy, livestock, poultry, bee, animal, and any other farm, agronomic, or plantation products.”]

SECTION 35. Section 237-13.3, Hawaii Revised Statutes, is repealed.

["~~§237-13.3 Application of sections 237-4(a)(8), 237-4(a)(10), 237-4(a)(13), 237-13(2)(A), 237-13(4)(A), and 237-13(6)(A).~~ (a) Sections 237-4(a)(8), 237-4(a)(10), 237-4(a)(13), 237-13(2)(A), 237-13(4)(A), and 237-13(6)(A) to the contrary notwithstanding, instead of the tax levied under section 237-13(2)(A) on wholesale sales subject to section 237-4(a)(8)(B), under section 237-13(4)(A) on a wholesaler subject to section 237-4(a)(13), and under section 237-13(6)(A) on a wholesaler subject to section 237-4(a)(10) at one-half of one per cent, during the period January 1, 2000, to December 31, 2005, the tax shall be as follows:

- (1) In calendar year 2000, 3.5 per cent;
- (2) In calendar year 2001, 3.0 per cent;
- (3) In calendar year 2002, 2.5 per cent;
- (4) In calendar year 2003, 2.0 per cent;
- (5) In calendar year 2004, 1.5 per cent;
- (6) In calendar year 2005, 1.0 per cent; and
- (7) In calendar year 2006 and thereafter, the tax shall be 0.5 per cent.

(b) The department shall have the authority to implement the tax rate changes in subsection (a) by prescribing tax forms and instructions that require tax reporting and payment by deduction, allocation, or any other method to determine tax liability with due regard to the tax rate changes.”]

SECTION 36. Section 237-13.5, Hawaii Revised Statutes, is repealed.

["~~§237-13.5 Assessment on generated electricity.~~ Any other provision of the law to the contrary notwithstanding, the levy and assessment of the general excise tax on the gross proceeds from the sale of electric power to a public utility company for resale to the public, shall be made only as a tax on the business of a producer, at the rate assessed producers, under section 237-13(2)(A):”]

SECTION 37. Section 237-15, Hawaii Revised Statutes, is repealed.

["~~§237-15 Technicians.~~ When technicians supply dentists or physicians with dentures, orthodontic devices, braces, and similar items which have been prepared by the technician in accordance with specifications furnished by the dentist or physician, and such items are to be used by the dentist or physician in the dentist's or physician's professional practice for a particular patient who is to pay the dentist or physician for the same as a part of the dentist's or physician's professional services, the technician shall be taxed as though the technician were a manufacturer selling a product to a licensed retailer, rather than at the rate of four per cent which is generally applied to professions and services.”]

SECTION 38. Section 237-29.55, Hawaii Revised Statutes, is repealed.

["~~§237-29.55 Exemption for sale of tangible personal property for resale at wholesale.~~ (a) There shall be exempted

from, and excluded from the measure of, the taxes imposed by this chapter all of the gross proceeds or gross income arising from the sale of tangible personal property imported to Hawaii from a foreign or domestic source to a licensed taxpayer for subsequent resale for the purpose of wholesale as defined under section 237-4.

(b) The department, by rule, may provide that a seller may take from the purchaser of imported tangible personal property, a certificate, in a form that the department shall prescribe, certifying that the purchaser of the imported tangible personal property shall resell the imported tangible personal property at wholesale as defined under section 237-4. Any purchaser who furnishes a certificate shall be obligated to pay to the seller, upon demand, if the sale in fact is not a sale for the purpose of resale at wholesale, the amount of the additional tax which by reason thereof is imposed upon the seller. The absence of a certificate, unless the sales of the business are exclusively a sale for the purpose of resale at wholesale, in itself, shall give rise to the presumption that the sale is not a sale for the purpose of resale at wholesale.”]

SECTION 39. Section 238-4, Hawaii Revised Statutes, is repealed.

["~~§238-4 Certain property used by producers.~~ If a licensed producer, or a cooperative association acting under the authority of chapter 421 or 422, in order to sell to such producer, or a licensed person, imports into the State or acquires in the State commodities, materials, items, services, or living things enumerated in section [237-4(a)(3) and (5) to (7)], then section 237-4 shall apply. If section 237-4 applies and the producer is engaged in the sale of the producer's products at retail or in any manner other than at wholesale, then the tax upon use of property in the State imposed by section 238-2(2) shall apply the same as in the case of a purchaser who is a licensed retailer. In other such cases no tax shall be imposed under this chapter

SECTION 40. 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 2006-2007, to carry out the purposes of this part, including the hiring of necessary staff.

The sum appropriated shall be expended by the department of taxation.

SECTION 41. 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 2006-2007, for technical assistance and briefings to enable the legislature to carry out its responsibilities under this part.

Technical assistance may include analysis of the fiscal and legal impacts of proposed conformance with the existing general excise tax law and other laws and any other issues that might result from the implementation of a streamlined and sales and use tax. Funds may also be expended for preparation of proposed legislation above and beyond that which could be undertaken by state employees due to the specialized nature of this project. Funds may be further expended in briefings of legislators and any other parties deemed appropriate by the designees of the president of the senate and the speaker of the house of representatives and in any other support activities for this project.

The sum appropriated shall be expended by the office of the auditor for the purposes of this part. The office of the auditor shall secure the services necessary to support the project in as expeditious a manner as possible and without regard to chapter 103D, Hawaii Revised Statutes.

SECTION 42. Notwithstanding the provisions of any law making it unlawful for any person, officer, or employee of the State to make known information imparted by any tax return or permit any tax return to be seen or examined by any person, it shall be lawful to permit a private contractor contracted under section 41 of this Act to inspect any tax return of any taxpayer, or to furnish to the private contractor an abstract of the return or

supply the private contractor with information concerning any item contained in the return or disclosed by the report of any investigation of the return or of the subject matter of the return only for the purposes of conforming the State's general excise and use taxes to be operative with the Streamlined Sales Tax Project's Model Agreement and Act.

SECTION 43. In codifying the new chapters and sections added to the Hawaii Revised Statutes by this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new chapters and sections in this Act."

SECTION 3. H.B. No. 2419, S.D. 2, is amended by renumbering sections 13 and 14 as sections 44 and 45, respectively, and designating the newly renumbered sections 44 and 45 sections as Part III.

SECTION 4. H.B. No. 2419, S.D. 2, is amended by amending the newly renumbered section 45 to read as follows:

"SECTION 45. This Act shall take effect on July 1, 2050, and shall be repealed on June 30, 2011; provided that sections 36-27, 36-30, 237-8.6(c), 237-31, and 238-2.6, Hawaii Revised Statutes, shall be reenacted in the form in which they existed on the day before the effective date of this Act[-]; provided that the amendment made by section 32 of this Act to section 238-2.6(a), Hawaii Revised Statutes, shall not be repealed on June 30, 2011."

Senator Fukunaga moved that Floor Amendment No. 10 be adopted, seconded by Senator Taniguchi.

Senator Fukunaga rose in support of the amendment and said:

"Mr. President, the purpose of floor amendment no. 10, which inserts the contents of S.B. No. 2222, S.D. 2, into H.B. No. 2419, is to provide the means to combine implementation of Hawaii's compliance with the streamlined sales and use tax with the Tax Department's software upgrade called 'ITIMS.'

"H.B. No. 2419, S.D. 2, requires the Department of Taxation ITIMS software upgrade to include implementing Hawaii's streamlined sales and use tax and the county surcharge for the City and County of Honolulu. Therefore, the amendment will allow the House and Senate discussions on the measure to include the Tax Department's software implementation in conjunction with statutory changes to implement streamlined sales and use tax compliance. Thank you very much."

The motion to adopt Floor Amendment No. 10 was put by the Chair and carried, with Senators Hemmings, Hogue and Slom voting "No."

Senator Fukunaga then moved that Stand. Com. Rep. No. 3512 be received and placed on file, seconded by Senator Taniguchi and carried.

By unanimous consent, H.B. No. 2419, H.D. 1, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was placed on the calendar for Third Reading on Thursday, April 13, 2006.

H.B. No. 1935, H.D. 1:

Senator Menor moved that H.B. No. 1935, H.D. 1, having been read throughout, pass Third Reading, seconded by Senator Baker.

Senator Menor then offered the following amendment (Floor Amendment No. 11) to H.B. No. 1935, H.D. 1:

SECTION 1. House Bill. No. 1935, H.D. 1, section 4, is amended to read as follows:

"SECTION 4. This Act shall take effect upon its approval [-] and shall apply starting December 31, 2006."

Senator Menor moved that Floor Amendment No. 11 be adopted, seconded by Senator Baker.

Senator Menor rose in support of the amendment and stated:

"Mr. President, this measure would specify that in real estate contracts to purchase an interest in a planned community, that the mandatory seller disclosure statement would be required to include the planned community declaration and association documents. In this regard, the Hawaii Association of Realtors has requested this floor amendment to have the act apply starting December 31, 2006, to give the association time to revise its standard forms. I urge my colleagues to vote in favor of this amendment."

The motion to adopt Floor Amendment No. 11 was put by the Chair and carried, with Senator English voting "No."

By unanimous consent, H.B. No. 1935, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," was placed on the calendar for Third Reading on Thursday, April 13, 2006.

RECOMMITAL OF A HOUSE BILL

MATTER DEFERRED FROM THURSDAY, APRIL 6, 2006

Stand. Com. Rep. No. 3285 (H.B. No. 1787, H.D. 1, S.D. 1):

By unanimous consent, Stand. Com. Rep. No. 3285 and H.B. No. 1787, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD ENDANGERMENT," were recommitted to the Committee on Judiciary and Hawaiian Affairs.

THIRD READING

MATTERS DEFERRED FROM THURSDAY, APRIL 6, 2006

Stand. Com. Rep. No. 3288 (H.B. No. 1899, H.D. 1, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3288 was adopted and H.B. No. 1899, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE USE OF SAFETY HELMETS BY MINORS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hogue, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 3290 (H.B. No. 2050, H.D. 2, S.D. 1):

Senator Hanabusa moved that Stand. Com. Rep. No. 3290 be adopted and H.B. No. 2050, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Trimble rose with reservations as follows:

"Mr. President, I rise with reservations.

“Colleagues, to the extent that international matchmaking is a vehicle for immigration, very little of what we do relating to disclosure will really have any impact.

“My second comment is that what is good for the gander should also be applicable to the goose. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3290 was adopted and H.B. No. 2050, H.D. 2, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO INTERNATIONAL MATCHMAKING,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3294 (H.B. No. 3126):

Senator Hanabusa moved that Stand. Com. Rep. No. 3294 be adopted and H.B. No. 3126, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Trimble rose in opposition and stated:

“Mr. President, I rise in opposition.

“Colleagues, I don’t question the motivation of what’s trying to be accomplished. What I do question is what will happen at the scene of the accident or the emergency room if indeed emergency procedures are delayed in any manner because they’re trying to get that rapid response identification. I think the functions that are appropriate at the scene of the accident in an emergency is saving the life of the individual and the extent of which this bill would slow down that process is not productive for the majority of people that wish to be saved. Thank you.”

Senator Baker rose in support of the measure as follows:

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

“Mr. President, this measure has widespread community support ranging from physicians and nurses, to hospitals and hospices, medical students and caregivers in the Department of Health. It would simply replace an ineffective ‘comfort care only’ bracelet system with a standard document that clearly states the wishes of the person cared for by emergency medical personnel first responders and health care providers throughout the state. The document will allow these providers to honor a person’s wishes without confusion or ambiguity. Many people have tried to use the ‘comfort care only’ bracelet only to find that they can’t get it in time, it’s ineffective, and their wishes ultimately weren’t honored.

“Your Health Committee had testimony from the Division Chief, Palliative Medicine, Department of Geriatric Medicine at JABSOM, from a variety of health care providers and doctors and they all agree that H.B. No. 3126 will remove a barrier to good end of life care by replacing an ineffective bracelet system with a standardized document in the form of physician’s orders that will more easily translate across health care settings and better follow a patient’s treatment wishes. It’s all about honoring the patient.

“I have some additional remarks I’d like to have inserted in the Journal in support of this and I urge my colleagues to vote in ‘yes.’ Thank you.”

The Chair having so ordered, Senator Baker’s additional remarks read as follows:

“The purpose of this bill is to amend section 321-23.6 of the HRS and replace the ineffective ‘comfort care only’ bracelet system with a standard document that clearly states the wishes of the person cared for by emergency medical personnel, first responders and health care providers throughout the state and allow these providers to honor the person’s wishes without confusion or ambiguity.

“The shortcomings of the bracelet system include:

- The bracelets take too long to order. People often die waiting for the bracelets to arrive.
- The bracelet system’s focus is too narrow. It is aimed at resuscitation only, whereas a standardized document can more clearly spell out the person’s wishes for treatment as related to, not only resuscitation, but also artificial nutrition and hydration, and other interventions.
- Because the bracelets focus on resuscitation only, it is burdensome for everyone involved: the patient, medical personnel and families, as this option is typically ineffective in those with serious, chronic and terminal illness. It will not postpone the inevitable; only make it more traumatic for everybody involved.

“Over 90 percent of Americans want to die at home surrounded by family, but they rarely do so. One of the reasons is that we do not have an effective system to support them on their final journey. Far too often they face this journey in isolation, confusion, and pain; their sense of control over their own bodies, their very dignity slipping away with their lives. The bracelet system with its cumbersome uncertainty fails to support the individual and their families in their wishes.

“Replacing this system with a written document will allow healthcare providers across the medical spectrum – from EMS to ERs to ICUs to nursing homes – to quickly and unambiguously honor the choices of Hawaii’s families and improve the delivery of healthcare in Hawaii.

“This type of document has been adopted as an alternative in more than a dozen states and once signed by the patient has the legal authority of an order. Adopting this document as alternative to the bracelet also places pre-hospital emergency medical services policies in line with policies on advanced directives by patients in acute care facilities.

“The ‘Rapid Identification Document’ option also has the advantage of being easy for the patient to write, unlike a living will or advance directive which can be lengthy and require the use of a lawyer.

“The passage of this bill can help to insure that patients do not end up dying while unconscious or heavily sedated in a ventilator with tubes attached to their bodies, simply because their wishes were unknown at the time they were placed in medical care.

“All of us wish to die with dignity, surrounded by those who love us. The passage of this bill will help the people of Hawaii to do just that.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3294 was adopted and H.B. No. 3126, entitled: “A BILL FOR AN ACT RELATING TO RAPID IDENTIFICATION DOCUMENTS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Slom, Trimble).

Stand. Com. Rep. No. 3295 (H.B. No. 3254, H.D. 1):

On motion by Senator Hanabusa, seconded by Senator Hee and carried, Stand. Com. Rep. No. 3295 was adopted and H.B. No. 3254, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OATHS OF OFFICE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 4 (Hemmings, Hogue, Slom, Trimble).

THIRD READING

MATTERS DEFERRED FROM FRIDAY, APRIL 7, 2006

H.B. No. 1861, S.D. 1:

On motion by Senator Sakamoto, seconded by Senator Hooser and carried, H.B. No. 1861, S.D. 1, 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, 4 (Hemmings, Hogue, Slom, Trimble).

H.B. No. 2265, H.D. 2, S.D. 1:

On motion by Senator Hanabusa, seconded by Senator Hee and carried, H.B. No. 2265, H.D. 2, S.D. 1, 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, 21. Noes, 4 (Hemmings, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 3300 (H.B. No. 1242, H.D. 1):

Senator Hanabusa moved that Stand. Com. Rep. No. 3300 be adopted and H.B. No. 1242, H.D. 1, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Whalen rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition.

"Mr. President, this bill, even its findings, says that we're merely trying to codify the case law, and for the large part, it does. However, it also extends it by saying that pregnancies can be terminated in a doctor's office or a clinic and that's not what the case law is. The case law is that you cannot restrict it in the first half of pregnancy. This bill goes beyond it by saying you can do it up to whenever.

"I realize the Chair of Judiciary tried to . . . and the committee report, I believe, talks about how the department should develop rules and procedures so if they feel safe they can do it. But I don't know if they are going to do it. Planned Parenthood told us that they already have rules and regs in the Department of Health but when we contacted the Department of Health they said no, they don't have any. It's kind of up to the doctor to decide what they're going to do.

"Although most doctors are going to use their best care, I don't think in a bill that we're out and out saying that we're merely trying to codify case law where we extend it, we should use another vehicle or call it what it is. For that reason, I'm voting 'no.'"

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

"Mr. President, I, too, rise in opposition to this bill.

"I find it very interesting that this bill of course is to advance abortions to make sure that Hawaii retains its place in the world as an abortion capital. It's interesting to me that the situation that we had last year where a mother was responsible for the death of her baby or her fetus resulted in a Supreme Court decision and unanimous verdict that said the fetus is not a person in the State of Hawaii. It also said, it went further and said that if there is any attack on the mother or on the fetus, there can be no criminal actions. This flies in the face of the law in, I believe it's currently 36 other states.

"I introduced two bills, neither of which was heard in this Legislature, to protect the unborn. No one seems to speak for the unborn in the State Legislature. No one seems to speak for the unborn in government. We are in such a rush to abort that we don't stop and think about the consequences here. And I always am amused by the people that stand up here and ring their hands and talk about the keiki but they're very selective in the keiki that they seem to defend.

"The fact that again we will be known as an abortion mill, that we will make it easier for people to have abortions and yet will not take one step, not lift one finger, not raise one voice to protect the unborn in this state, I think is a travesty and an abomination. I urge a 'no' vote. Thank you."

Senator Baker rose in support of the measure and stated:

"Mr. President, I rise in support of H.B. No. 1242, H.D. 1.

"Mr. President, it's curious that some members who are at least as old as I am, fail to remember what it was like before abortions were safe, legal and accessible. I, for one, don't want to go back to the time where women felt so desperate that they sought out back alley abortions, coat hanger abortions, and other ways to terminate pregnancy. That's why I think this measure is so important – because it merely clarifies outdated statutory language regarding abortion, while not expanding upon those rights that are currently protected by state and federal law.

"In the hearing that your Committee held, one proponent from the University of Hawaii noted that in 1970, three years before the United States Supreme Court decision of *Roe v Wade*, Hawaii became the first state to legalize abortion. This law, passed in 1970, has not been reviewed or changed since its passage although medical practice and legal case law has developed well beyond the language of HRS 453-16.

"With regard to the issue of physicians' offices, abortions have been taking place in physicians' offices since 1971 and at Planned Parenthood Clinics in Hawaii since 1989. It is another fact that abortion is one of the safest medical procedures available. Information from the Centers for Disease Control indicates that the risk of death from early abortion is about one per 100,000 cases while the risk of a woman dying from childbirth is seven to ten times greater than that from early abortion.

"Dr. Reni Soon, who provided this information, the assistant professor in the department of obstetrics, gynecology, and women's health, notes that it's so important for this measure to be enacted. She feels that it would be impractical and morally unethical for a measure like this not to go forward because the procedure of abortion has changed so much that it really is important to maintain its accessibility, its safety, and its legality.

She notes that most women who obtain abortions, 90 percent do so in their first trimester and that these are uncomplicated procedures. They can easily be handled in clinics.

“One of the reasons it’s important to have it accessible in clinics and physicians’ offices is cost. It costs so much more to have it in hospitals. So, ultimately, if we restricted it in that fashion, we would make it a procedure that’s available only to people of means, and that’s clearly not what the framers of the right to privacy for Hawaii’s Constitution provided, nor the folks back in 1970 provided as well.

“Thank you very much, Mr. President. I urge my colleagues to vote ‘yes.’”

Senator Trimble rose in opposition to the measure and stated:

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

“Why, colleagues, are we talking about this measure today? There has got to be a better reason than it’s an election year or oh my God, Bush just appointed two people to the Supreme Court, civilization as we know it is about ready to collapse, because that’s probably the only reason that this bill was introduced in the House – because it’s an election year and we need issues to divide the people and this is a great vehicle to do it.

“Even if Bush appointed two people to the Supreme Court, and even if they considered something that might in some way affect *Roe v Wade* it is highly unlikely that they would throw it out. And even if they did throw it out, they would take another court case that would then apply to the existing Hawaii law and they wouldn’t throw out Hawaii law, they would just throw out those provisions which were either unconstitutional or was not consistent with federal law.

“There is no reason for us to be having this discussion today. So, colleagues, the most humane thing we could do with this bill is recommit it to Committee. Failing that, I urge you to vote ‘no.’ Thank you.”

Senator Sakamoto rose to speak in opposition as follows:

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

“Mr. President, proponents of the measure claim it will maintain the status quo. I’m not a lawyer and I’m not a doctor, but in my opinion, this bill expands the ability to perform abortion in our state and I’m not supportive of that expansion. I’m not in favor of expanding abortion ‘unlimited to clinics and physicians’ offices.’ I believe, in its current form, this bill puts more mothers at risk. Allowing abortions to be done outside of hospitals is a serious risk to life.

“Proponents claim that rulemaking could take care of limits as to when an abortion can be performed between the period of conception to birth. The bill, as written, places no limits on when the baby may be aborted. For such a major parameter, it should be stated in law, not left to speculation. This opens the doors to abortion that would place more of human life at risk, more mothers at risk, more babies at risk.

“What this bill doesn’t say, in essence, opens the floodgates to who? – anyone. When? – anytime. Where? – somebody can put a nail on the door and hang a sign saying, I’m a clinic, almost anywhere. What? – abortion. How? – anyhow.

“So Mr. President, more risk to human life, more mothers at risk, more babies at risk, therefore I’m in opposition to the measure.”

Senator Baker rose in rebuttal and said:

“Mr. President, just a couple of brief notes in rebuttal.

“It’s interesting that the good Senator raises a lot of straw people when all of these clinics are heavily regulated and have to meet a variety of both state and federal standards. But let me just note some words from Dr. Reni Soon, who is the assistant professor of obstetrics, gynecology, and women’s health for the University of Hawaii, John A. Burns School of Medicine. She notes that ‘those of us who do office procedures have hospital privileges and the ability to treat should any complications arise. There is no difference,’ and she emphasizes the word ‘no,’ ‘in the rate of complications and mortality resulting from abortions performed in a hospital and those in a non-hospital setting.’ A CDC study concluded clinic abortions to be at least as safe as hospital abortions, and nationally, 82 percent of all abortions today are performed in outpatient settings. Again, outpatient settings are heavily regulated by both state and federal laws.

“I think the issues that have been raised are really being raised because some individuals simply don’t like this procedure. But in the words of the medical professionals that testified before your Health Committee, ‘for the women of Hawaii, it’s important to keep abortion safe and legal and accessible,’ and that’s really all this bill does. It doesn’t add any additional privileges that are not already stated in the statute. It revises language that was written over 35 years ago and confirms a woman’s right to obtain an abortion should she determine that she wants one and this measure is supported by the medical community.

“I support this bill and ask my colleagues to vote ‘yes’ as well. Thank you.”

Senator Whalen rose again in opposition as follows:

“Mr. President, I wouldn’t have said anything again but it seems like what comes out of my mouth maybe just falls out of the speaker and hits the floor. I don’t know.

“The Senator from Maui said it twice now that this bill is merely reflecting state and federal law. The law is that you can’t restrict it in the first half of a pregnancy. That’s the law. This bill extends it all the way till birth that you can get an abortion not only in a clinic, but also in a doctor’s office, which she seems to have switched those words back and forth as if they are synonymous, but they’re not. We are extending that right.

“We don’t have rules and regulations in place to protect the health of the woman or the mother. We regulate other things to death. Look at the fight we have over the psychotropic drugs or the optometrists or ophthalmologists, and everything else. Here, we’re going to simply throw up our hands and say, yeah, trust them.

“All the quotes that the good Senator from Maui quoted were from pro-abortionists. There are significant studies that show that the stats on injury and death from the abortion procedure are quite higher than actually reported by themselves. It’s just that with the rights to privacy and everything else, it’s extremely difficult to get those stats. A parent can’t find out what their daughter just did. The clinic or the doctor’s office or the hospital would get sued.

“Again, the stats that she used were abortions; I think 82 percent of them are in the first trimester? That’s what this law is. That’s what this bill should say. What about someone in the

third trimester? Again, if the doctor . . . most of them, I'm sure, who are very conscientious are not going to take chances. But, just like the guy who doesn't fix your car the right way or he jacks up the price, doctors get sued. Why is malpractice insurance so high? Mistakes are made, and don't tell me in our zeal to protect our public from helmets for moped riders and everything else that we're just going to say 'we'll just trust the doctors in this area. They'll make the right decision every time.'

"Again, I only got up because to hear it repeated again that we're merely reflecting state and federal law is totally bogus. So, for a Senator to stand up and say it again, prove me wrong before you make the statement, because I've looked at it and that is what the law is – first half or the early stages of the second trimester is the law.

"We are expanding this and if you folks want to be consistent to the committee report and the bill itself to say that we're merely reflecting current law, then you should vote 'no' because that is flat out wrong."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3300 was adopted and H.B. No. 1242, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SECTION 453-16, HAWAII REVISED STATUTES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 18. Noes, 7 (Hemmings, Hogue, Nishihara, Sakamoto, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 3302 (H.B. No. 2343, H.D. 1, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 3302 be adopted and H.B. No. 2343, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Trimble rose in opposition and stated:

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

"Colleagues, we are not New Orleans. We cannot take what we have seen on television about rioting and looting in New Orleans and assume that if disaster were to strike Hawaii like Hurricane Iniki that suddenly there would be pandemonium in the streets. A crime is a crime is a crime. I'm not soft on crime but we should treat everyone and every sector in the community equally.

"Our system of law depends upon informed compliance. We understand the difference between right and wrong and we intentionally comply with the law because that is the only way society can exist. We have deterrents. We send people to jail. We arrest them to act as a deterrent.

"People that loot and steal after a disaster will not be deterred by the increase in penalties that this law produces. If you want an effective deterrent, then consider concealed carry. Change our laws about the rights of our citizens to defend their property. But merely by increasing the penalty for a select group of people during an emergency is not an appropriate way to deal with the situation in Hawaii. Thank you."

Senator Inouye rose to support the measure and said:

"Mr. President, I rise in support of H.B. No. 2343, S.D. 2.

"Though I disagree with my colleague to the right, in light of recent events in Hurricanes Katrina and Rita, the nation witnessed disorder and chaos where the safety of citizens was

jeopardized due to lack of control over supplies. Such chaos prevented and deterred police and armed forces from keeping order. This resulted in many attacks, thefts, and even deaths among the victims of these hurricanes.

"This is a measure that will help our law enforcement officers do their jobs and protect the public. Thank you, Mr. President, I urge my colleagues to support this measure."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3302 was adopted and H.B. No. 2343, H.D. 1, 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, 24. Noes, 1 (Trimble).

Stand. Com. Rep. No. 3305 (H.B. No. 2454, H.D. 1, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 3305 be adopted and H.B. No. 2454, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Ihara rose in support with reservations and stated:

"Mr. President, I rise in support of H.B. No. 2454 with reservations.

"Mr. President, I believe the Legislature should not be telling political parties who they cannot nominate to fill a legislative vacancy. If a political party under this bill wants to nominate a member in good standing, a new member, that should be their business. Thank you."

Senator Slom rose to speak in opposition to the measure and said:

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

"First of all, what the bill does is to seek to strip further power from the executive branch, from the Governor. Secondly, what it does is there is a requirement in there that the person will have been a registered member of the political party for six months prior to the appointment process. I don't know what the magic is about six months and I don't know what it says about a lot of people that believe philosophically they are a member of one political party or another, but in fact have not registered with that party. It does not diminish the requirement that the Governor has to appoint someone of the same political party but it does put further restrictions, and as the previous speaker said, it gives a greater amount of power to the political parties rather than to the executive or legislative branch. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3305 was adopted and H.B. No. 2454, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE VACANCIES," 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. 3315 (H.B. No. 2422, H.D. 1, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 3315 be adopted and H.B. No. 2422, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Slom rose in opposition to the measure and stated:

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

“I think we’re all concerned about the pedestrian safety and we should be concerned about motor vehicular safety, but what we’ve seen now is we probably have more people that are being hurt or killed in or around crosswalks than ever before. I would suggest that one of the reasons is the vagueness of the law and the difficulty in both interpretation and enforcement.

“And as much as there are good intentions for this bill, like so many other pieces of legislation, this bill in fact will not solve the problem, will not make it more safe. We need both an educational program and we need a program that will clearly identify what the rights and responsibilities of both driver and pedestrian are. Thank you.”

Senators Hogue, Kim, Sakamoto, Tsutsui, Espero, English 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. 3315 was adopted and H.B. No. 2422, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 3316 (H.B. No. 2708, H.D. 2, S.D. 2):

Senator Hanabusa moved that Stand. Com. Rep. No. 3316 be adopted and H.B. No. 2708, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Hee.

Senator Slom rose to speak in opposition as follows:

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

“Originally, the intent of this bill, of course, was to put sanctions or abolition to a famous or infamous truck that has been around our neighborhoods for several years now, and then it was found that you couldn’t do anything about that because that was protected political speech having to do with that issue. Then this bill emerged as a bill that was a total ban on any commercial advertising on any vehicle. And the issue was not beauty or the environment. The issue was the transfer of money. In other words, if still you had protected political speech and if you wanted to put a message on your vehicle, as long as you didn’t get paid for it, that was okay too.

“I think this bill goes too far and I think what it tries to do really is to harm people in the use of their vehicles and in the use of trying to get an advertising message out. It is not clear from this bill or from existing case law whether or not we’re talking about moving billboards, which has been a question and an issue of a problem, but this bill will not solve that problem and so I urge a ‘no’ vote. Thank you.”

Senators Espero and Hogue 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. 3316 was adopted and H.B. No. 2708, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO ADVERTISING,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Slom, Trimble, Whalen).

Stand. Com. Rep. No. 3368 (H.B. No. 2500, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3368 be adopted and H.B. No. 2500, H.D. 2, 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.

“We had a very lengthy discussion in Ways and Means and the genesis of this bill is the fact that this Legislature has already appropriated \$95 million for the construction of a courthouse in Kapolei, primarily for family law. There’s been a great deal of discussion prior to the actual appropriation and since then from attorneys, from families, from individuals who questioned the viability of putting such a massive piece of construction out there for this purpose, when contrary to the Judiciary’s statement and testimony, most of the people in fact are not on the Leeward Coast. Most of the people are in the Kalihi/Downtown area.

“I think the thing that’s most troubling to many of us, and we did have this discussion in Ways and Means, is the fact that after the \$95 million was appropriated, the Judiciary came back and said wait a minute, it’s now going to cost \$48 million more. That was in a period of months and that estimate, adding \$48 million was as of October of last year. The Judiciary put the blame on the Department of Accounting and General Services saying that DAGS had used too low an estimate for inflation. I think they were talking about 3 percent versus 9 percent.

“And so the question that arose, which still was not answered was, well, if it rose by more than 50 percent in that short period of time, what’s happened in the last six months and what’s going to happen in the near future? And the answer from the judiciary was twofold – one was that they had scaled down the square footage of the project, and the second was that they must have \$10 million now for a disputed four acres of land because if we don’t pay Campbell Estate \$10 million for four acres of land, Campbell Estate has in the original contract the ability to withdraw and withhold that land.

“I think many of us and maybe most of us on the Ways and Means Committee were very troubled by that. First of all, there was never anything in writing by Campbell Estate. We were getting hearsay information from the proponents of the judiciary. I think we all concluded that it is in Campbell Estate’s best interest that they have a sucker . . . I’m sorry, I mean a financier like the State of Hawaii on the hook to continue paying money. The problem with this project is even though now it’s been downgraded in terms of percentage of square footage, we see that the amounts of money are still increasing and there’s no end to that amount of money.

“We still have the problems within the judiciary and the legal community as to people that do not want to use that facility and want other alternatives found in existing facilities, or at least a guarantee that not all of the services will be transferred. The judiciary talks about a website, but the website is one-sided. They’re not listening to the many issues of debate that have been brought up.

“So Mr. President and colleagues, I think that the old adage about throwing good money after bad is personified in this bill and this issue. And I don’t think that we should go ahead with this until we get some very clear answers in writing as to what the limits of the state financial liability are and what our options are with Campbell Estate or other people, and what the judiciary intends to do in terms of the criticism that has been leveled at it by the legal community. Thank you.”

Senators Tsutsui, Chun Oakland, Nishihara, Hooser and Kim requested their votes be cast "aye, with reservations," and the Chair so ordered.

Senator Kanno rose in support of the measure and stated:

"Mr. President, I'd like to rise in support of the measure.

"Mr. President, I just wanted to address that one of the facts that was not mentioned by the previous speaker is that in the creation of the secondary urban center, the New City of Kapolei, which was a commitment from both state and city government, that the Campbell Estate provided a number of parcels free to the state and that a portion that the building is designed to sit on is one of these parcels. So, although we are considering an appropriation to purchase the remaining four acres, the rest of the site has been donated by Campbell Estate.

"The history of the 'Second City' is that it really is the creation of a job center and part of the strategy there is to have traffic going the other way. For those of us who fight the morning traffic every day into town, I think we all recognize that the worst traffic on the island is coming into town from the West End into Honolulu. The West End is already burdened with many of the services that serve the whole island – a landfill, power plants. Many of the negative projects in our community are literally dumped on the West Side of the island. The creation of the new city really created a time for services, positive projects to come out to that side of the island and the judiciary complex is one of those projects.

"So, whereas the residents of my part of the island would very much appreciate the other parts of the island taking ownership of things like the next landfill, the next power plant, I don't see any of those offers forthcoming.

"We would like to encourage the members to keep this project moving forward to support the appropriation. Thank you."

Senator Ihara 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. 3368 was adopted and H.B. No. 2500, 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, 23. Noes, 2 (Slom, Trimble).

Stand. Com. Rep. No. 3370 (H.B. No. 2347, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3370 be adopted and H.B. No. 2347, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hogue rose in support with reservations and said:

"Mr. President, I rise and I guess I'm going to vote 'yes' on this with reservations based on a letter that I received in my office this morning. We just found out about this yesterday and I think you should be aware of it. This is a letter from the Hawaii School Bus Association and it really calls into question the money management of the DOE. It is a letter addressed to the assistant superintendent of the support services division and I'll make copies available for you if you'd like it.

"It says 'contractors are not being paid within the 30-day period allowed by state law. Payment has been held for as long

as six months. Common excuses are that the program has run out of funds, the DOE cannot give what they do not have, there was an error on your billing statement, the DOE transportation office lost your invoice, you can bill interest after the 30-day period,' just to name a few. 'The contractor's financial position is compromised due to late payments' and it goes on and says 'the DOE has pushed us to the brink. DOE must have funds available for pick up by contractors by Wednesday, April 5, 2006. Payment for services provided through February 15, 2006 must be cleared. We will be unable to provide services on Thursday, April 6th if payment is not made.' And it is signed by several bus companies including Gomes School Bus Service, Akita Enterprises, Kailua Local Taxi and Windward Bus, Yamaguchi Bus Service, Ground Transportation Inc., Roberts Hawaii School Bus, Dodoit's Bus Service, Spencer's Bus Service Inc. I called the DOE to try to get their statement on this particular thing. I was told that the assistant superintendent is on vacation and no one else could answer the questions, so I called the leading signatory on this, Leatrice Gomes, who said indeed they have been paid since they sent this letter and Leatrice Gomes told me she called it a very sad situation that they had to send a threatening letter in order to be paid by the DOE.

"Now, this really calls into question the DOE's money management. I have since found out from a board of education member, he's the one who actually sent me this letter, he says that the DOE is one of only two agencies in the state that provides no aging reports. Every single week aging reports are put forward by other agencies to let them know what they have outstanding, and it would seem to reason that you would want to know what you have outstanding whether it's within 30 days, 60 days, 90 days, six months, etc. The DOE doesn't have to do this and so they run into problems like this all the time.

"I call this to your attention because we have several bills that are going to be coming forward a little bit later. One of them is asking for a chief financial officer for the DOE and I would say that indeed it appears that we need one if we're having these kinds of problems. There is also a bill going forward that talks about financial autonomy for the DOE and I would think that this particular letter would call that into question. So, I'll be happy to pass this letter along to the Chair of Education and hopefully we can all look into this and hope the DOE does a much better job with their money management in the future. Thank you very much, Mr. President."

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

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

"My colleague was so persuasive that I couldn't go with a W/R. It would have to be a 'no' for a couple reasons. First of all, this is listed here as an emergency appropriation. There's no emergency. This is the DOE again mismanaging funds and not doing its job and not knowing what its priorities are. We're talking about \$5.8 million and the fact that they were given that notice that they had to have the checks. It's my understanding the check was hand carried over to pay them on the 5th of April. This is not how you run a business. It's not how you run a school district.

"And again, it's not because of lack of money. They have the money. It's what their priorities are or their lack of priorities. They're sure down here quick enough to ask us for higher salaries for their district superintendents and others and to add other officers, other personnel. They're really good about that but they're not good about doing the things that they're supposed to do, so I'm voting 'no.' Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3370 was adopted and H.B. No. 2347, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR DEPARTMENT OF EDUCATION STUDENT TRANSPORTATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

THIRD READING

Stand. Com. Rep. No. 3395 (H.B. No. 2199, H.D. 2, S.D. 1):

On motion by Senator Hanabusa, seconded by Senator Chun Oakland and carried, Stand. Com. Rep. No. 3395 was adopted and H.B. No. 2199, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL TRADE AGREEMENT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hogue, Slom, Trimble). Excused, 1 (Hee).

Stand. Com. Rep. No. 3398 (H.B. No. 1928, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 3398 was adopted and H.B. No. 1928, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Whalen).

At 12:15 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 1:20 o'clock p.m.

Stand. Com. Rep. No. 3399 (H.B. No. 2440, H.D. 2, S.D. 2):

On motion by Senator Hanabusa, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 3399 was adopted and H.B. No. 2440, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ATHLETE AGENTS ACT," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 17. Noes, 2 (Hemmings, Trimble). Excused, 6 (Hee, Ige, Ihara, Menor, Slom, Whalen).

H.B. No. 2412, H.D. 1, S.D. 1:

Senator Taniguchi moved that H.B. No. 2412, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose with reservations and said:

"Mr. President, I rise with reservations.

"Colleagues, this is not what the title claims – a conformity act. It is really an unconformity act. The two most important provisions in the federal code that we have not adopted that we should adopt because it would make necessary all sorts of other tax credits is expanding the standard deduction and the personal exemption. It's the same levels used by the IRS. These are the two most important things that we could do to bring it into conformity. Thank you."

Senator Slom requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, H.B. No. 2412, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, none. Excused, 4 (Hee, Ihara, Menor, Whalen).

THIRD READING

MATTER DEFERRED FROM FRIDAY, APRIL 7, 2006

Stand. Com. Rep. No. 3406 (H.B. No. 2400):

Senator Taniguchi moved that Stand. Com. Rep. No. 3406 be adopted and H.B. No. 2400, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak with reservations and said:

"Mr. President, again I rise with reservations.

"My reservations are simple – I'm not sure which particular agency will hold title to the property and the second reservation is that I think that everyone in Hawaii should be guaranteed the right to enjoy this wonderful piece of property. Thank you."

Senator Kokubun rose to speak in favor of the measure and said:

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

"Just for the record, Mr. President, the agency that will hold the title to this property is the Office of Hawaiian Affairs. They are also providing a permanent easement for public access to the whole valley, with the exception of those culturally significant areas that will be monitored. Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3406 was adopted and H.B. No. 2400, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR ACQUISITION OF WAIMEA VALLEY, OAHU," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, none. Excused, 3 (Hee, Menor, Whalen).

THIRD READING

H.B. No. 1448, H.D. 2, S.D. 1:

Senator Taniguchi moved that H.B. No. 1448, H.D. 2, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition to the measure and said:

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

"Colleagues, a couple of problems, if you read the bill language closely, it talks about losses and then it includes the term insurance and it includes the term rental. The committee report is silent in terms of exactly what these two terms mean. The bill itself does not define them. The problem is when we

write bills about tax credits, we need to have congruency between the way the people, the citizens of our community read the bill, what we as Legislators interpret or mean by the bill, and what tax accountants are going to advise their clients to do.

“When we talk about rental, are we talking about rental of equipment to clean after the flood damage? Are we talking about lost rental income of a basement that no longer can provide income? Are we talking about the owner having to stay at another place until his place is cleaned out? When you deal with tax credits and an audit section in the Department of Taxation that chooses to interpret the law as conservatively as possible, we must be crystal clear about what we mean.

“The second reservation or objection I have is that this is for economic loss. It should be, if we’re going to come forward and say a tax credit is a reasonable way to approach economic loss, then we should apply it across the board anytime either in the past or in the future an event occurs, say perhaps when the Governor declares a state of emergency, but it should be consistent and it should apply across the board.

“The third problem with this use of tax credits is that there is no way for the Department of Taxation to determine whether the person is actually rebuilding the property or actually claiming money and actually increasing the value, doing an improvement when he rebuilds.

“So, for these reasons, until we have clarity as to what the bill actually will do, I will continue to oppose it. Thank you, Mr. President.”

The motion was put by the Chair and carried, H.B. No. 1448, H.D. 2, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 1 (Trimble). Excused, 3 (Hee, Menor, Whalen).

H.B. No. 173, H.D. 1, S.D. 1:

Senator Sakamoto moved that H.B. No. 173, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Hooser.

Senator Slom rose in opposition to the measure and stated:

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

“First of all, Mr. President, as testimony has indicated, both the Hawaii State Constitution and our Hawaii Revised Statutes are very clear on the requirements for this position. What they have done is to ensure that we have a large and expanded pool of nominees. What this bill would do is reduce the pool of qualified candidates for this position.

“Secondly, the bill I think is very myopic and promotes a ‘National Guard only’ mentality. And thirdly, I think that what we should be able to do is have the flexibility to choose the best leader that we can from wherever that source is as long as that person, he or she, meets the constitutional and statutory requirements.

“So, what we have here is a measure that in fact reduces that pool, reduces the flexibility, reduces the opportunity to have the very best in our leadership. Thank you.”

Senator Sakamoto rose in support of the measure as follows:

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

“Forty-four other states and perhaps 45 states by this time or soon have the same provision in terms of their leader being a Guard member. One of the testifiers in part of his testimony said ‘the National Guard is the only military organization with a dual mission – one, supporting the state; and the other, supporting the nation. These facts are well known, but I fear that many do not truly appreciate how such an organization must balance the loyalty and commitment to two sometimes competing masters – the State of Hawaii on one hand and the Nation on the other hand.’

“Another testifier wrote ‘it is difficult for a non-guardsman to understand the unique organization and the mission of the National Guard because at first glance one assumes that the guard is a military organization and that anyone with military experience can be the Adjutant General or his Deputy. Nothing could be further from the truth because first and foremost, the Guard is a state organization patterned after the army and air force organization, etc., etc.’

“I can go on, Mr. President, but in essence, the former adjutant general’s of the Guard, many retired officers in the Guard have sent testimony in support of the measure. I believe, especially with homeland security disasters, etc., it’s very important for the Adjutant General to be familiar with what our Hawaii Army and Air National Guard is doing and will do in the future and it makes a big difference for the protection of our State, Mr. President. So I urge my colleagues to vote in favor.”

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

The motion was put by the Chair and carried, H.B. No. 173, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE NATIONAL GUARD,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Kanno, Slom, Trimble).

H.B. No. 2457, H.D. 1, S.D. 1:

On motion by Senator Sakamoto, seconded by Senator Inouye and carried, H.B. No. 2457, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE STATE PLAN,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Slom, Trimble).

H.B. No. 2796, H.D. 1, S.D. 1:

Senator Kokubun moved that H.B. No. 2796, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Baker.

Senator Trimble rose in opposition to the measure and said:

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

“Colleagues, there’s an awful lot of law to be introducing for what one might presume to be a fairly simple crop. My point being that if we are going to have labeling requirements, these labeling requirements should be consistent for every product that we do, not specific to one or another or another. So, let’s have consistency in the law regarding labeling for honey, for macadamia nuts, and everything else. Thank you.”

The motion was put by the Chair and carried, H.B. No. 2796, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HONEY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

H.B. No. 2331:

Senator Menor moved that H.B. No. 2331, having been read throughout, pass Third Reading, seconded by Senator Baker.

Senator Trimble rose to speak in opposition as follows:

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

"Colleagues, we're talking about professionals – people that are licensed that have some level of knowledge that the state requires before they practice on other people. Every individual becomes obsolete very rapidly and the best way to maintain proficiency is through practice. By carte blanche allowing people to go to inactive status and then bring it back is not a guarantee that they have maintained their professional knowledge during the period of time that their license was inactive. Thank you."

The motion was put by the Chair and carried, H.B. No. 2331, entitled: "A BILL FOR AN ACT RELATING TO AN INACTIVE STATUS FOR PROFESSIONAL AND VOCATIONAL LICENSES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

H.B. No. 2145, H.D. 2, S.D. 1:

On motion by Senator Kim, seconded by Senator Kokubun and carried, H.B. No. 2145, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL TOURISM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Hooser).

H.B. No. 970, H.D. 1, S.D. 1:

Senator Taniguchi moved that H.B. No. 970, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Hooser rose in support of the measure and stated:

"Mr. President, I rise in support of H.B. No. 970.

"Colleagues, Mr. President, I want to first thank the members of the Ways and Means Committee and especially the Chairman for supporting H.B. No. 970, which provides emergency relief to victims of the Kaloko Dam tragedy. Also, this bill has been amended to allow those funds to also be spent on an independent investigation.

"On the morning of March 14th, the 115-year-old Kaloko Dam collapsed resulting in massive flooding that caused extensive property damage and the tragic loss of life. Seven people are gone, including a small baby. Since then, we have learned that the dam, though required by law, had never been inspected by the Department of Land and Natural Resources. We've also learned that under state law owners of private reservoirs are responsible for the repair and maintenance.

"We have heard allegations of stream diversion tactics, land alteration, and illegal water retention practices. These circumstances generate both confusion and frustration over what entity may be held liable for this breach. There have been numerous media and citizen reports making claims and accusations about both the actions and inactions of the state, the county and private landowners, and how that may have contributed, caused, or exacerbated the conditions leading to the Kaloko Dam tragedy.

"The people of our state, especially the residents of Kauai, of Kilauea, and Kauai's North Shore deserve and expect a complete and thorough independent investigation into the facts and circumstances that have led to this tragic event. Let us not forget that seven lives have been lost.

"Because the State of Hawaii may be held responsible for this breach in part or in whole, the possibility of the state investigating itself presents a clear conflict of interest. The possibility of a conflict of interest is further evidenced by this emergency appropriation which sets aside funds to help pay for potential future litigation against the state.

"Civil and possible criminal liability needs to be determined. Seven people have died. We have massive property damage and we have a community that is demanding answers. I have in my hand here testimony and signatures from over 300 Kauai residents – residents of the area, residents from throughout the island – whose lives have been forever altered by this tragedy. I promised them that I would enter these comments and this testimony into the public record here on this Senate Floor and that I would have personally delivered to every Senator's office copies of the same.

"Martha Harkey of Kauai writes, 'Those of us who live downstream of this and other reservoirs are committed to finding out exactly why this breach occurred and making sure this will never happen again.' Bruce Fehring in response to questions from the media talking about whether this was an act of God or not is quoted as saying, 'What occurred was not an act of nature. It was a failure of man.'

"The people of Kauai and the people of our state deserve answers, and though I have the highest personal regard for the state attorney general, given the scope of this tragedy, the history of the area, and the conflicts of interest, both real and perceived, it is essential that this investigation be conducted and have the full faith and confidence of the people of our state. Given the scope – again, seven lives have been lost, four are still not recovered, buried under the rubble and mud, or perhaps washed out to sea; tremendous property damage, millions if not tens of millions of dollars, and the insurance companies are denying payment. Lives have been disrupted and changed forever.

"Given the history of this area, which I know personally because I live there, because I've served on the county council there, the track record of all three parties – the state, the county, and the private landowner – is well known over the years. The state and county have often looked the other way as the property owner with impunity – with impunity – has conducted illegal grading, stream diversions, the construction of reservoirs without permits, and the list is long.

"The recent controversy of Pila`a conducted by the same landowner resulted in tons of mud washed upon a reef and over a house. It took years for that to go to court and it took public outrage before government – state, county, and the federal government – finally came forward to act.

“Sitting on the county council, the prior mayor actually told me one time, ‘why does he need a permit? He doesn’t need a permit; he owns all the land.’ The landowner has this tremendous amount of money, a tremendous amount of personal power. I witnessed this myself when I inquired as a member of the county council as to whether the landowner had gotten a permit for berms that had been constructed. Within hours of my inquiry into public works I had a call directly from the landowner – directly from the landowner to me as a sitting council member – asking me what in the heck I was doing, didn’t I know who I was fooling with, and that I’d better be careful. This is what the landowner told me as a council member as I merely inquired whether he had gotten permits for some berms that had been built.

“The conflicts are both real and perceived. The attorney general is a former partner of the landowner’s law firm. The attorney general is responsible for investigating the actions in this matter. The attorney general is also responsible for defending the state from claims that arise from this very same investigation. And again, how can he through acts or inactions that he’s going to be investigating, how can he possibly do a good job of both. I state that the attorney general is in an untenable position and needs to be relieved of this. During a recent public hearing of Ways and Means, I mentioned to the attorney general that I felt that for the credibility of this investigation it was critical that the investigation be thorough and complete, but it was equally critical that this investigation have the full faith and confidence of the people of our state, of the people of Kauai, of the people of the North Shore. The response of the attorney general was, and I quote, ‘by far the most important thing that dwarfs whether certain people on Kauai have confidence in this is that the job is done right, whether or not people subjectively have confidence in it or not, a limited group of people who is in my view far down on the chart in terms of relatives.’ I beg to disagree. I think having faith and confidence in this investigation is paramount – paramount. And I would suggest that Bruce Fehring, the father, and the grandfather and the property owner who lost seven family and friends, I would say that his opinion and his thoughts are relevant.

“I would say that the 25 landowners in Wailapa who also suffered tremendous damage, their opinions, their thoughts, their faith and confidence are relevant. I would say property owners and people on Kauai’s North Shore and throughout our island, their opinions are relevant. The Garden Island Newspaper who came out in support of an independent investigation, their opinion is relevant. The Kauai County Council who support and independent investigation, their opinion and their thoughts are also very relevant. The Mayor of Kauai, who signed a petition for the same, this State Senator who represents District 7, the entire Kauai delegation, two members, two Committees in the House of Representatives who recently passed a resolution supporting the same, yes, I would say that these people’s opinions are relevant. For these reasons and for many others, I ask the Governor of the State of Hawaii and the attorney general to do the right thing – to step aside and support and allow an independent investigation.

“I thank all of my colleagues for supporting the bill that’s before us. Mr. President, in honor of the seven lives that were lost, I request a Roll Call vote. Thank you.”

The motion was put by the Chair and carried, H.B. No. 970, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO EMERGENCY RELIEF FOR NATURAL DISASTERS,” having been read throughout, and Roll Call vote having been requested, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3431 (H.B. No. 1155, H.D. 1, S.D. 2):

On motion by Senator Menor, seconded by Senator Baker and carried, Stand. Com. Rep. No. 3431 was adopted and H.B. No. 1155, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO NATUROPATHY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 3433 (H.B. No. 3261, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3433 be adopted and H.B. No. 3261, 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 as follows:

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

“This is one of several bills we’re going to be discussing this afternoon. I really have a problem with this bill. Here is, as the sponsors say, an attempt to create ingenuity and to protect innovation. And if you read the bill and read the bill carefully, it is the state government and the Department of Education and the HSTA and other unions that are involved. And as we’ve seen earlier, the Department of Education can’t even pay their bill for the school busses, can’t manage their money but their going to somehow help create ingenuity and creativity.

“First of all, inventors and creative people don’t get any of their support or help or mentoring from government. They do it on their own. Actually, government usually is the stumbling block for what they’re trying to do.

“In reading through this bill, to me it’s a thinly veiled bill for setting up a state for-profit labor union corporation. The membership, the board of directors, everything comes from the labor unions that are part of this. They have a number of organizations which they have mentioned in here, many of which I’ve never heard of before. It doesn’t mean that they don’t exist or that they haven’t done anything, but it probably does mean that they have nothing to do with business or ingenuity.

“So, if the authors and the supporters of this bill want to be honest and talk about this being another labor union bill where we can siphon public funds, that’s one thing, but to call this an ingenuity creation bill is totally false and I urge a ‘no’ vote. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3433 was adopted and H.B. No. 3261, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO INGENUITY CORPORATION CHARTER,” 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 (Hee, Sakamoto).

Stand. Com. Rep. No. 3434 (H.B. No. 2715, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3434 be adopted and H.B. No. 2715, H.D. 1, 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.

“Colleagues, the issue here is a \$200 clothing allowance for policemen. Why are we doing this in an election year? What about the firemen? What about every other professional organization? Let’s not keep dividing our society into little groups and then doling out our largesse a little bit at a time. Thank you, Mr. President.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3434 was adopted and H.B. No. 2715, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO POLICE OFFICERS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3436 (H.B. No. 1890, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3436 be adopted and H.B. No. 1890, 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 and stated:

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

“Colleagues, this is a good practice to once in a while look at our sister state relationships. I support it wholly, but I also believe that an important component of that evaluation should be our business community. And because they are notably absent from the list of people that will form the committee that does this evaluation, I must vote against this measure.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3436 was adopted and H.B. No. 1890, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO SISTER STATE AND PROVINCE RELATIONSHIPS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3437 (H.B. No. 1948, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3437 be adopted and H.B. No. 1948, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and stated:

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

“As I’ve said before in committee, again, this is an anti-consumer bill. It’s a pro-tax bill. What it does is it expands the reach of the so-called bottle recycling beverage container tax to larger containers which were previously exempted. We saw that people have the good sense. They started buying larger containers. Why? Because they didn’t want to be taxed and overtaxed.

“We note that the state is making a killing on this bill. It has little to do with recycling and has everything to do with finances. And now what we’re going to do, as I said, is to increase the number and kinds of containers. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3437 was adopted and H.B. No. 1948, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO SOLID WASTE MANAGEMENT,” 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. 3443 (H.B. No. 1879, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3443 be adopted and H.B. No. 1879, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak in opposition as follows:

“Mr. President, colleagues, this is about what started out to be a \$50,000 appropriation. Quite frankly, it takes us more to write a bill, to hear in committee testimony on a bill, to pass a bill than the amount of money that was in it. Quite frankly, if we wanted to devote money to this purpose, it could be put in the budget. We don’t need a separate bill.

“When the Senate version of this bill came before this Body, I got up a spoke because that version had to do with publishing a veteran’s newsletter. This iteration is not for the publishing of the newsletter, but to allow the newsletter to continue to be published. In either event, wherever the purpose, it is a misuse of the budgeting process to separate out a little bit to create an interest group in an election year and say see what we did for you in the State Legislature.

“This is truly akin to bribing people with their own money. Thank you. I will continue to oppose measures like this.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3443 was adopted and H.B. No. 1879, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO VETERANS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3444 (H.B. No. 1891, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3444 was adopted and H.B. No. 1891, H.D. 2, 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 (Hee).

Stand. Com. Rep. No. 3446 (H.B. No. 2961, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3446 be adopted and H.B. No. 2961, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition to the measure and said:

“Mr. President, colleagues, in the testimony relating to this bill . . .”

The President interjected:

“Are you in support or opposition?”

Senator Trimble responded:

"I'm sorry. I'm speaking in opposition to this measure.

"This has to do with creating another special fund into which receipts from the federal government will be deposited relating to what schools did in terms of the Felix consent decree. The issue is do we need a special fund? So, when the person came from the Department of Education to testify in favor of this he said, well, we need the special fund because we want the people in the field to know that the money that is received is really their money and going to be spent for that purpose. But it is not going to result in and it is not required for that money to be spent.

"So, we indeed are creating a special fund that is not needed and does not meet the criteria of the legislative auditor for a special fund. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3446 was adopted and H.B. No. 2961, H.D. 1, S.D. 1, 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 (Hee).

Stand. Com. Rep. No. 3448 (H.B. No. 30, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3448 was adopted and H.B. No. 30, H.D. 1, 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, 24. Noes, none. Excused, 1 (Hee).

Stand. Com. Rep. No. 3451 (H.B. No. 2097, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3451 be adopted and H.B. No. 2097, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition and stated:

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

"This is again another tax credit. It is a tax credit that is only given to people that are taking care of somebody that are 60 years of age or older. If it is appropriate to have a tax credit for care of another, then it should be applied without an age restriction. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3451 was adopted and H.B. No. 2097, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVERS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3452 (H.B. No. 2258, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3452 was adopted and H.B. No. 2258, 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. 3453 (H.B. No. 3116, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3453 be adopted and H.B. No. 3116, H.D. 2, 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.

"I know that a lot of my colleagues read bills and they read bill titles only and they wonder why would anybody be in opposition to a children's health bill and particularly one to take care of children that are uninsured? This Hawaii children's health care program would be established as a public/private partnership between the Department of Human Services and a mutual benefits society, but it's questionable whether to prefer a mutual benefit society generally or one of our health care providers, HMSA specifically, to run this program.

"This program could be run by an HMO, could be run by a for-profit health insurer, and the program should be subject to a fair and impartial public procurement process, but under this bill it is not. To provide a unique franchise to one medical carrier will tend to put them in the driver's seat making profits off the program itself.

"The measure requires that children must have been uninsured continually for at least six months in order to qualify for this program. It doesn't ask the question or require anything as to why the children have been uninsured, whether or not they or their parents have the financial ability to insure them, so it leaves a lot of questions in that particular instance. But more importantly, it doesn't detail the cost of the program to the state and to the taxpayers or to members of the mutual benefit society, because if they take it over and subsidize it in any way, it is fair to anticipate and expect that their member dues will increase, as has been the situation in the past when this Legislature has passed mandates.

"There are also so many provisions right now that will take care of children who are uninsured, through the Medicaid process and the federal process, and yet this seems to carve out a special area for those people that really don't want to pay anything. They have to pay a portion of Medicaid. But if they don't want to pay anything and the child is uninsured for six months, then the taxpayers get to pay for it entirely. We use a formula of 250 percent of household income, 251 percent of the federal poverty level. The new program is not a Medicaid program, and as such would not bring in any federal monies to the State of Hawaii to offset the costs of the program.

"So, I think there are many questions that are unanswered. I don't think it's going to serve uninsured children. I don't think it's going to solve the problem that the supporters want it to and it can actually evolve into a tremendously costly program and one that is unfair to people that are paying and are able to pay for at least a portion of medical care for their children as is their responsibility. Thank you."

Senator Baker rose to speak in support of the measure as follows:

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

"Mr. President, this is a wonderful example of a public/private partnership in support of providing health

insurance for our keiki. This bill provides gap coverage for those who can't afford insurance but don't qualify for Medicaid. With the enactment of this bill and the stellar provisions that the Department of Human Services has made to our SCHIP (State Children's Health Insurance) program we will have 100 percent of children in our state covered for health care. We would be the first state in the nation to do so and I think this measure needs to continue to move forward because it gives us the opportunity to make certain that there will be, from a health standpoint, truly no child left behind, and that's as it should be.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3453 was adopted and H.B. No. 3116, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII CHILDREN'S HEALTH CARE PROGRAM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 3454 (H.B. No. 1723, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3454 was adopted and H.B. No. 1723, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL INVESTMENTS," 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. 3458 (H.B. No. 266, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3458 was adopted and H.B. No. 266, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LABOR," 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. 3459 (H.B. No. 1867, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3459 was adopted and H.B. No. 1867, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," 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. 3463 (H.B. No. 2558, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3463 was adopted and H.B. No. 2558, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO VOCATIONAL REHABILITATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 3464 (H.B. No. 2692, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3464 be adopted and H.B. No. 2692, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Inouye 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. 3464 was adopted and H.B. No. 2692, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS," 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. 3465 (H.B. No. 2947, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3465 was adopted and H.B. No. 2947, H.D. 2, 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, 22. Noes, 3 (Hemmings, Slom, Trimble).

Stand. Com. Rep. No. 3466 (H.B. No. 2950, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3466 be adopted and H.B. No. 2950, 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, again I rise on this VEBA trust bill. It is a bad bill. It excludes retirees and others. It again seeks to circumvent any financial control that the state has on health care and retirement payments, but particularly health care.

"First we started out with HSTA seeking a VEBA trust, going back to a VEBA trust. Now we have it open for all unions and no responsibility for them. We also have an ongoing claim by the attorney general trying to get back funds from these other unions who took the porting of state funds years ago then were able to cut people off their list of medical coverage so that they could selectively cherry pick and get lower rates, thus saving money from what they got from the state. But they never returned the money and to this day has refused to, to this day have refused to cooperate with the legislative auditor, and to reward them for their bad behavior would be criminal on our part. Thank you."

Senator Hanabusa rose in opposition and stated:

"Mr. President, I rise in opposition to H.B. No. 2950.

"Mr. President, this is identical to the Senate version that I rose to speak in opposition to and it is really for those reasons that I rise again. The concerns that I raised in the last opposition speech has not been addressed, and I wonder what we are saying by failing to address those concerns. We know that this bill is in the same form that we saw earlier. We also know that it is in a very similar form that the HSTA bill came before us last year. After negotiations between the HSTA and the attorney general for the EUTF, they reached an agreement with many stringent controls. This bill doesn't have any of that.

"This bill is also another three-year project. We already have one going and it's called the HSTA's project and we're going to

give everyone else the ability to do yet another three-year project without any of the constraints.

“What the HSTA gave up in their VEBA is the ability of the attorney general and any of its members to come forward and to contest what is being done. They have a right very similar to what an ERISA beneficiary does, actually, probably more so because the attorney general has the right to go in and audit – an important aspect of it when you look at what happened with the state health fund and the fact that they’re still auditing at great expense to us.

“Again, what we’re doing here is we’re ignoring the wishes of the retirees – those retirees who came before us after watching what the EUTF could do and said we do not want to be in these VEBA trusts. This VEBA trust doesn’t give them a choice if they’re in the plan now, if they’re an active employee now. It gives everyone a one-time out into a VEBA but not a chance back in.

“Since the last hearing that we had on this measure, Mr. President, the chair of the EUTF came to see me. He was one of those who I consider to be a disbeliever when we formed the EUTF, and he told me it’s working; it’s really working. He says the costs are under control and very shortly we’re not going to need additional funds to run the EUTF.

“So what are we doing when we pass this measure again in the same form without even addressing these issues – the inequity to HSTA, the concerns of the retirees? What are we saying? We’re saying what? We don’t care? These concerns are deminimis? Of course they’re not. We made HSTA go through it the last time.

“Mr. President, the Senate bill went over. To pass the House bill in this form again, the same thing without even addressing these issues, without giving credence to the fact that the EUTF is working, without paying respect to those retirees who are now coming out of the woodwork and saying please protect us, don’t put us into the VEBA plans because we know what’s going to happen to us – we’re not going to have the voice; we’re not going to have the benefits. But worse than that, Mr. President, we have a structure that works. It was passed based on the recommendations of Marion Higa. She set forth what we should do and we did it. And it does work. We’re saving money and it’s going to be self-sufficient very shortly.

“What gives me the greatest sense that we’ve done something right is to see those who stood in opposition now be the executive director of the EUTF who supports it and to have those who now chair it, also a union representative, say it does work and with a funny smile on his face saying yes, it does work.

“So what are we doing? We don’t even address these concerns. We’re not even looking at it. And we know that when we create additional VEBAs, we’re going to be back where we started from before the creation of EUTF, which means that if Marion Higa’s projections are correct, we will be paying a billion dollars in health fund costs by the year 2013, and you know what that means.

“My main reason in opposition to all of these VEBA trusts after we created the EUTF was very simple – it’s the retirees that we’re not going to be able to keep our word to because they are going to have their benefits cut. They are going to have to pay like everybody else does. Maybe that’s what some people feel. I believe that to the extent that we can keep our word, we keep our word. We don’t make those retirees pay. Many of them are earning only \$500 a month in retirement. The amount they save by not having to pay for their premiums is a

substantial savings for them. It can mean many things – food, the ability to pay more in terms of added benefits to their quality of life. All of these things will be at risk because it has historically been at risk and it has been challenged – challenged every time in the private sector.

“Look at the private sector. Look at those who were able to keep their word to their retirees. They are not able to do so, because remember, once you are a retiree, you are not a member under Chapter 89 and this bill doesn’t even reference that. You have no representation rights. You have no duty that you can go to your union and say you owe me a fiduciary duty – you don’t have any of that. And if we pass a bill like this, we’re basically thumbing our noses at everyone.

“So Mr. President, I ask that you and my colleagues vote in opposition to this measure and send a very clear message as to what are we doing. Thank you.”

Senator Sakamoto 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. 3466 was adopted and H.B. No. 2950, 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, 15. Noes, 10 (Hanabusa, Hee, Hemmings, Hogue, Kim, Kokubun, Nishihara, Slom, Trimble, Whalen).

Stand. Com. Rep. No. 3467 (H.B. No. 2952, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3467 be adopted and H.B. No. 2952, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Inouye 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. 3467 was adopted and H.B. No. 2952, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC WORKS,” 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. 3469 (H.B. No. 2109, H.D. 1, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 3469 be adopted and H.B. No. 2109, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Trimble rose to speak in opposition to the measure and said:

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

“Colleagues, what this bill does is create one position. I don’t think we need legislation to create one position at a time. It deals with an issue that over the past 37 years has been responsible for 89 deaths. If we were to create a coordinator that investigated or that dealt with every conceivable thing that over a 37-year period dealt with 89 deaths, we’ll be creating a large number of new state positions. Thank you, Mr. President.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3469 was adopted and H.B. No. 2109, 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, 22. Noes, 1 (Trimble). Excused, 2 (Hooser, Taniguchi).

Stand. Com. Rep. No. 3470 (H.B. No. 2187, H.D. 2, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 3470 be adopted and H.B. No. 2187, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Trimble rose in opposition to the measure and stated:

"Mr. President, I rise in opposition to this measure because the bill as written excludes the vendor from being in the private sector that would provide ambulance service for the Island of Oahu. Thank you."

Senator Baker rose in support of the measure as follows:

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

"Just for the information of some of our colleagues, it is the hope, and this bill acts on that hope, that we will be able to return to the aero medical transport services previously provided by MAST. If that is possible and in order for us to be in line to return to government MAST services, and the military has provided us with aero medical airlift on the Island of Oahu for many, many years at no cost to the state, I might add, we need to make sure that we contract with a government provider on an interim basis. That's why the bill is written as it is. The military won't replace a private company providing the service.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3470 was adopted and H.B. No. 2187, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EMERGENCY MEDICAL SERVICES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Hooser, Taniguchi).

Stand. Com. Rep. No. 3472 (H.B. No. 1922, H.D. 1, S.D. 2):

On motion by Senator Tsutsui, seconded by Senator English and carried, Stand. Com. Rep. No. 3472 was adopted and H.B. No. 1922, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3475 (H.B. No. 2214, H.D. 1, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 3475 be adopted and H.B. No. 2214, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Hogue rose with reservations and said:

"Mr. President, I'm going to rise to vote with reservations on this one.

"I think that we have a title problem now. It is relating to the rental motor vehicle surcharge tax and originally this was going to reduce the tax from \$3.00 to \$2.00. That language was taken out. So currently, all you've got there is that there's a paperwork reduction which would mean that in fact the bill as now written has nothing to do with a vehicle surcharge tax. If it ended up being a tax decrease, I could vote for it, but as it is right now, I don't think it's going to pass muster so it's got to be corrected somewhere along the process. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3475 was adopted and H.B. No. 2214, 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, 24. Noes, none. Excused, 1 (Taniguchi).

Stand. Com. Rep. No. 3481 (H.B. No. 2641, H.D. 1, S.D. 2):

On motion by Senator Tsutsui, seconded by Senator English and carried, Stand. Com. Rep. No. 3481 was adopted and H.B. No. 2641, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Hemmings, Hogue, Slom, Whalen). Excused, 1 (Taniguchi).

Stand. Com. Rep. No. 3482 (H.B. No. 2778, H.D. 2, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 3482 be adopted and H.B. No. 2778, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Slom rose in opposition to the measure and stated:

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

"While this bill has come a long way and has had many changes, the fact of the matter is that I've heard all of the testimony, I've read the testimony, I've read the complaints from people that say they can't get access to language. Nowhere does anybody talk about the responsibility for speaking the language of this country. We're seeing this debate everyday now on the news about immigration and about language. We see that anybody can access benefits at taxpayer's cost in our country without really having any responsibility whatsoever and no responsibility for themselves.

"We also heard some tear-jerking testimony about people that committed suicide because they thought it was embarrassing to have a member of their own family translate for them. If we go to any other country, Mr. President, if we go to any other circumstance, first of all they have immigration laws, they have language laws, they have other laws that we as outside non-citizens have to apply to. This country is becoming the number one patsy in the world and the taxpayers are paying for everything.

"Now, I obviously don't want to deny anybody that needs specific services the right to those services, but all of the testimony I've heard was that it was difficult, it was inconvenient, it was uncomfortable, it was this, it was that. This is a far cry from immigrants that came to our country, helped build our country, but took a stance that they were part of this country. They learned the language. They learned the mores. They tried and worked very hard for citizenship.

"What we're doing right now is trying to give people a pass because all they do is whine and snivel and I won't be part of that. I vote 'no.' Thank you."

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. 3482 was adopted and H.B. No. 2778, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LANGUAGE ACCESS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Hemmings, Slom, Trimble, Whalen). Excused, 1 (Taniguchi).

Stand. Com. Rep. No. 3483 (H.B. No. 3121, H.D. 2, S.D. 1):

On motion by Senator Tsutsui, seconded by Senator English and carried, Stand. Com. Rep. No. 3483 was adopted and H.B. No. 3121, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL DEFENSE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3485 (H.B. No. 1917, H.D. 2, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 3485 be adopted and H.B. No. 1917, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

Senator Slom rose to speak in opposition as follows:

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

"Again, we in the Legislature particularly have used the vehicle of salary commission to mask the intention of raising our own salaries, giving us more benefits. Now we want to put it in the constitution and make sure that everybody in public office, regardless of branch of government, is automatically going to get the benefits and salary increases and the public will have little or no opportunity either to find out about it or certainly to vote no against it. I think it's a bad policy. We should be ashamed."

Senator Ihara rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to H.B. No. 1917.

"Mr. President, I'm concerned about putting the salary increases for the leaders of all branches of state government in the hands of one salary commission. Though intended to increase fairness and consistency, I believe that this super salary commission would increase the possibility of mischief and inappropriate negotiation amongst leaders of the three branches.

"For example, if one branch does not deserve a large salary increase, they would probably, nonetheless, get that increase because the salaries of the other two branches would also be included in a recommendation and the Legislature would have to turn down the recommendation in its entirety. I'm also concerned because it was just last July that the Governor, Lt. Governor, the cabinet, and judges started their recent salary increase, and Legislators, we got a salary increase, though small, after the last election in 2004.

"Further, the timetable set in this constitutional amendment would increase salaries of the Governor, Lt. Governor,

department heads and judges four years earlier than the current schedule and three years earlier for Legislators.

"For these reasons, Mr. President, I must oppose the bill in its current form. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3485 was adopted and H.B. No. 1917, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT PROPOSING AMENDMENTS TO THE HAWAII CONSTITUTION RELATING TO THE ESTABLISHMENT OF A SALARY COMMISSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 5 (Hemmings, Hogue, Ihara, Slom, Trimble). Excused, 1 (Taniguchi).

Stand. Com. Rep. No. 3486 (H.B. No. 2051, H.D. 1, S.D. 2):

Senator Tsutsui moved that Stand. Com. Rep. No. 3486 be adopted and H.B. No. 2051, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator English.

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

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

"Colleagues, have you forgotten Chuck Berry? Have you forgotten the Man Act of 1910? It is against the law to traffic in humans or minors. We do not need more law. If anything is called for, it is better enforcement. We cannot continually expand our law and think that we're accomplishing our goal.

"So let's be honest with ourselves. Let's seek better enforcement, but let's not mindlessly expand our law. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3486 was adopted and H.B. No. 2051, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PROTECTION FOR VICTIMS OF HUMAN TRAFFICKING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3487 (H.B. No. 2204, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3487 be adopted and H.B. No. 2204, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition and stated:

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

"All lands are not the same. I have no disagreement with the percentage. In fact, in some lands, the percentage of revenue given should be perhaps 100 percent. My issue has to do with harbor lands. Ninety-five percent of what we as a society consume comes through our harbors. So when 20 percent of the revenue that harbors collects on ceded lands, which is most or much of the land in the harbor, what it truly represents is a tax on all the people of Hawaii. I think it is inappropriate to apply a tax to the use of harbors for one exclusive group. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3487 was adopted and H.B. No. 2204, H.D. 2, S.D. 2, 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, 24. Noes, 1 (Trimble).

Stand. Com. Rep. No. 3488 (H.B. No. 2277, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3488 was adopted and H.B. No. 2277, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

Stand. Com. Rep. No. 3495 (H.B. No. 2179, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3495 was adopted and H.B. No. 2179, H.D. 2, 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, 24. Noes, 1 (Slom).

Stand. Com. Rep. No. 3504 (H.B. No. 1800, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3504 be adopted and H.B. No. 1800, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition to the measure and stated:

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

"Colleagues, I was probably the only one in the Senate that voted against the original bill that established the 5 percent withholding for sale of property that involved out-of-state residents. The reason why I voted against the original bill is pertinent. It is because there was a supposed loophole but there were no concrete examples of people that took advantage of it.

"Now we seek to raise that 5 percent. But colleagues, even though the capital gains tax exceeds 5 percent, capital gains is supplied to the gain. The tax is not paid on the total value or percentage of the total value of the sale. So quite frankly, I'm not aware of very many investments where the recipient, the out-of-state resident would get such a huge capital gain that it would not be covered by our existing taxes if we maintain the requirement to require deposit of 5 percent. Consider the issues and the math clearly before you vote.

"Thank you."

Senators Espero and Inouye 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. 3504 was adopted and H.B. No. 1800, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SALE OF REAL PROPERTY," 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. 3505 (H.B. No. 2239, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3505 be adopted and H.B. No. 2239, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Menor rose to speak in favor of the measure and said:

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

"Mr. President, I ask my colleagues to vote in support of this bill which would authorize HCDCH, our state housing agency, to undertake negotiations with the owners of Kukui Gardens, initiate condemnation proceedings if negotiations fall through, and appropriate monies for the purchase of Kukui Gardens. I strongly urge my colleagues to support this measure. If we are serious about addressing our affordable housing crisis then passing this measure to the Governor before the end of Session must be a matter of the highest priority.

"There are many reasons to support this legislation, including the results of the analysis conducted by the Joint Legislative Affordable Housing and Homeless Task Force. In its report the task force concluded that a key element of any plan to address our affordable housing crisis requires the preservation of our existing affordable housing rental stock, which includes for purchase and, in particular, rental units as well. The task force also concluded that a top priority of the state has to be assisting those who can least afford to purchase housing in the present market. These individuals and families, the kind who now live in Kukui Gardens, are in the greatest need of access to affordable rental units. This measure can help the state meet both of these critical objectives.

"The location of Kukui Gardens is also ideal for solving other problems such as providing badly needed affordable workforce housing in our urban core in close proximity to our island's primary labor market. Keeping affordable rentals in Honolulu also makes sense from a planning perspective in that it reduces urban sprawl and the need for additional residential housing in outlying suburban communities such as the community of Mililani that we both represent whose growth has already negatively affected the quality of life of residents and contributed to many problems such as traffic congestion and overcrowded schools.

"Of great concern is the distinct possibility that the conversion of Kukui Gardens into expensive condominiums could leave many residents homeless and further exacerbate another growing social problem. But even if we are in agreement on the rationale that I have just offered, there are other factors we should keep in mind as we consider this bill.

"For instance, I've been told that the owners of Kukui Gardens have been contemplating the sale of Kukui Gardens at a price tag of between \$109 and \$130 million to a private entity. At that price range, there is no way that a private buyer could keep all or even most of the units in the affordable price range and still make a good return on the investment. After paying such a price, a private entity, in all likelihood, would have to convert a portion if not all of the units into for-sale condominiums to make the venture sufficiently profitable.

"Consequently, Mr. President, I see no alternative other than the state stepping in if there is to be any hope of keeping all of the units affordable. A state purchase would also enable a public/private partnership with a nonprofit organization under which the state could enter into a lease arrangement with a nonprofit entity to operate and maintain Kukui Gardens as an affordable rental complex.

"In addition, it should also be emphasized that there are currently 857 affordable rental units at Kukui Gardens and to start from scratch and to build a comparable number of rental units in another location would be cost prohibitive and far in excess of what it would cost to purchase Kukui Gardens.

"In any case, Mr. President, if we want to maintain this project for affordable units in perpetuity, it's going to require the state to step in and underwrite the purchase, and here, timing is critical. If we are going to structure this action in a manner most favorable to the state, the state must act now before the owners sell to a private entity. Otherwise, if a sale to a private investor occurs before the state undertakes condemnation proceedings, the determination of just compensation could be adversely affective. The condemnation price would no doubt be much higher if it were set after the project is sold. In this scenario, in which the starting point in the germination of just compensation is the high sales price, the result would be the state paying a substantially higher condemnation price than if negotiations were undertaken with the owners of Kukui Gardens now.

"Finally, I've spoken with one of the principal owners of Kukui Gardens who expressed to me an openness and willingness to negotiate with the state. Given all that we know about the need to keep this project affordable and the importance of consummating a deal before this property is sold at a high price, now is the time to strike while the iron is hot. I ask my colleagues to vote in favor of this important affordable housing measure. Thank you."

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

"Mr. President, I rise in very strong opposition to this bill.

"It's interesting that we have members of our group here that the first thing they say is there's no other thing that I can see other than to have the state step in, and they always seem to propose and support legislation where the state steps in. And everywhere where they have allowed the state to step in, the consumers get stepped on or step in it because it has not resolved the problem, and neither will this proposal.

"First of all, let's be clear about this. This is a federally financed project with a lot of restrictions to it. The restrictions continue for another five years. It's not like we're under the gun that we have to act today or tomorrow. Five years – that's what's in the requirements. And if the buildings are sold, then the new owners in fact must also acquire those restrictions for a minimum of five years. In fact, there are negotiations going on, as the good Senator knows quite well, and what happens with those negotiations, we don't know. No one knows. They could be extremely positive. They could help us in many ways. But to say that the only thing that we can do is to have the heavy hand of state government get involved in yet another area is wrong. It's absolutely wrong.

"Of those 857 units there in Kukui Gardens, I would say that probably being very conservative, as you know I am, Mr. President, maybe 856 are rundown and need repair, renovation or reconstruction. When you have the state get involved, when you forcibly do something, when you forcibly make compulsory certain rates, you make sure that you do not get repairs done, you do not get any new construction, you do not get any benefits for individuals living there.

"Yes, we have an affordable housing problem. Yes, we have a homeless problem. We've been talking about it for 20 years. All we've done is exasperated it. One of the reasons that people are homeless or are near homeless is because of the things that

go on right in this big square building. We raise their taxes. We raise their fees. We make sure that it is unhealthy for them to continue living financially in an environment where we continue to raise all of the costs, including the cost of their gasoline, by the way, which I'm sure we'll address later as being the only state method to take care of this.

"The point here is that we have negotiations. We've got the time. We really should be talking about renovating, rehabilitating, repairing or reconstructing these units so that we give decent housing to individuals. And one man's idea of affordable is completely different from another's. We do know, however, that the cost of housing, the cost of rentals are going to be influenced by the cost of taxes, the cost of impact fees, the cost of development, the cost of everything that we require of anybody building or developing.

"The good Senator from Mililani didn't talk anything about relaxing restrictions on zoning, on fast tracking housing, on alternate means of housing, such as trailers and manufacturing housing – these things which we can do and should do to increase the supply of housing, because after all, that really is the solution. If we want a solution that is going to affect many more people and give them choices, then we must give them choices in the housing that we have.

"But of all the things that the speaker said, probably the most disturbing is that he is a very strong and consistent and unwavering advocate of the heavy hand of government and he used the term that the state by force of eminent domain or other force could take over the project. Here we are, trying to address that very situation where we take private property or privately developed property to give it to someone else who is favored. We're fighting that problem on the various neighbor islands, on this island right now. People are scared to death that first of all they're going to be taxed out of their property, or secondarily, the government which they used to depend on and we used to rely on for safety is going to take their property because it finds a higher or better or more economical use.

"So Mr. President, there are many bad reasons for this bill. We can pander to people and let them think that we're doing something in their name, but there's not even a cost figure here. We don't know how much we're going to force our taxpayers to pay for this. Right now it's one dollar. But it could be millions or tens of millions or more than that. And to go in without a plan and just say let's have the government do it, let's have the government run it, let's have the government condemn it is no plan whatsoever and really does not speak to the integrity of those who have build housing and stand ready to help in the affordable field in the homeless field and their only obstacles thus far have been the obstacles that we place in their way here in government.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3505 was adopted and H.B. No. 2239, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LAND ACQUISITION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Hogue).

Stand. Com. Rep. No. 3511 (H.B. No. 3077, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3511 be adopted and H.B. No. 3077, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition and stated:

“Mr. President, I rise in opposition to this measure. Colleagues, this is the third time I’ve been given the opportunity to speak thusly.

“If we look at the committee report, if we look at the fourth paragraph concluding sentence, ‘Furthermore, Rosette Steel Hawaii products and technologies can also be exported to the neighboring islands and countries in the Pacific Rim.’ That’s impressive. I was impressed. I look forward to the first hearing that we had on the Senate version of the bill in Economic Development. I look forward to it because if done rightly, it really would have the potential for export.

“And so, when the principal of the firm came up, I asked him where the picture was, or he told me where the picture was that he was showing us. It was at Pier 1. Wow, I was impressed because Pier 1 is a foreign trade zone. It is authorized by the foreign trade zone board for this kind of activity. So, I asked the principal, I said, ‘Wow, can I see the picture a little bit better.’ And when he showed it to me, I said, ‘Well, this isn’t Pier 1 because there are vertical beams in the warehouse and there’s no such building like that at Pier 1.’ He said, ‘Oh, I’m sorry, it’s not really at Pier 1. It’s where I bought the plan from.’ And that kind of intrigued me a little bit and so I said, ‘Well, where are you planning to get your steel from?’ knowing that the two companies in Hawaii that import steel or have imported steel were Dole Pineapple and Maui Pineapple, both of which manufacture in a foreign trade zone. I wanted to see how much the guy really knew about antidumping and countervailing duty, because if he was serious he would have a dual operation – one making for domestic clients and using foreign steel for making for foreign clients. He didn’t know what the terms meant.

“I was concerned. I was concerned for a variety of reasons, one of the reasons is if he doesn’t know very much about steel or how steel is competitively priced in Hawaii, then why is he asking for authorization for bonds? Is he asking for authorization of bonds because he really intends to get the money or is he going through the process because having the Legislature approve his request gives his firm credibility and gives him the capacity to go out and raise private venture capital. I’m concerned about that. I’m concerned about it because we did not do our own due diligence in determining the capacity of this person to perform in an activity that we presume but are not certain are in the public interest. If this should be some kind of shell game, then I think that if we give approval then we run the risk of potentially being liable.

“So I ask you seriously to consider giving a ‘no’ vote to this bill until we understand more about it. Thank you.”

Senator Slom rose to speak in opposition to the measure and said:

“Mr. President, I, too, rise in opposition to the bill.

“Mr. President, the more information you find about the principal of this organization, the more troubling it is. After going through research information in just the last 24 hours, there are stories that appeared in the Pacific Business News of promises made and yet uncompleted, the Honolulu Advertiser, the Honolulu Star Bulletin. But there are things that were completed and that should be known to members.

“I don’t know where this bill came from. I don’t know who is supporting this. Normally, we have passed in the past special purpose revenue bonds because they were for a charitable or eleemosynary reason and there was very little debate, very little

discussion. But we did look at some of the more technical bills like Chill Water and things of that nature to make sure who the principals were, what their capabilities were. Because as the good Senator from Waikiki and Downtown just mentioned, there has always been the issue and the discussion whether or not the state is liable should something go wrong.

“Up to this point, the questions and the issue of liability had to do with if the project failed would there be a financial liability here. Generally we believe that the answer to that is no, that there is no financial liability. But how about if the state puts its seal of approval on a project with an individual with a very interesting background that doesn’t have the experience and the ability to complete the project? And if we know about this beforehand, before voting and before authorizing, does that then change our level of liability? We can leave it for the lawyers but I would suggest that at best it makes a very strong case.

“What we do know about the principal – and as I say, I don’t know where the bill came from and who is the big supporter or supporters – but what we do know is that this principal has used several different names, several aliases. We do know that between November 1977 and December 8th of 2005, this individual was arrested seven times – mostly for DUIs and misdemeanors, criminal contempt – was convicted on all seven arrests. We also know that this individual was arrested in the Country of Ghana. Apparently, they didn’t like his business savvy or the contract or the promises that he made there. As was said, there was in open testimony a promise that this facility exists in a location where in fact it does not exist.

“So I would be very happy to have any members of the Senate, and particularly those who have supported this legislation, to correct me if I am in error or if the public records are in error. I’d be very happy to share this but I would suggest very strongly that having raised these issues about this individual and about the individual’s background and lack of experience and lack of completion, that we raise a real danger and a real red flag for our Legislature should we proceed.

“Again, I’ll be very happy to have anyone stand up and correct my statements or the record. Thank you, Mr. President.”

At 2:38 o’clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:42 o’clock p.m.

By unanimous consent, Stand. Com. Rep. No. 3511 and H.B. No. 3077, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST ROSETTE STEEL HAWAII,” were recommitted to the Committee on Ways and Means.

Stand. Com. Rep. No. 3513 (H.B. No. 1923, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3513 be adopted and H.B. No. 1923, 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, again I’m forced to vote ‘no’ on this bill only because it creates or allows the provision for the HTA to continue to hire outside attorneys outside of the state, outside of the attorney general. Well they have that permission now but they want complete authority to do it permanently. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3513 was adopted and H.B. No. 1923, H.D. 1, 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, 22. Noes, 2 (Slom, Trimble). Excused, 1 (Hooser).

Stand. Com. Rep. No. 3515 (H.B. No. 2678, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3515 be adopted and H.B. No. 2678, 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 this measure.

"Colleagues, the term incurable is something you discover after the fact. You can't look forward and with any degree of real certainty know what you're talking about.

"This issue has to do with changing what the hoops that the employee retirement system and potential retirees have to go through if indeed there is somebody that has an incurable condition that is getting worse over time. Continually to revisit the employee retirement system to deal with one little issue at a time that does not have wide application is a misuse of this legislative process and I will continue to stand up and speak against measures such as this.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3515 was adopted and H.B. No. 2678, H.D. 2, 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, 22. Noes, 2 (Slom, Trimble). Excused, 1 (Hooser).

Stand. Com. Rep. No. 3516 (H.B. No. 1918, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3516 be adopted and H.B. No. 1918, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Ihara rose with reservations on the measure and said:

"Mr. President, I have reservations on H.B. No. 1918.

"This bill would implement a constitutional amendment, which I oppose as currently written. However, should the voters adopt this amendment, this bill would be needed. Besides my concerns raised on the constitutional amendment bill, my specific concern on this bill is that while the commission will recommend salary increases for leaders of all three branches, this bill would give the nominees of one branch, appointees of one branch a majority of the commission. Right now, the bill says that the Legislature appoints four members, the Governor two, and the judiciary one for a seven member commission. I believe no one branch of government should have a majority of appointees on a salary commission that affects all three branches. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3516 was adopted and H.B. No. 1918, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO

COMMISSION ON SALARIES," 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. 3518 (H.B. No. 3118, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3518 be adopted and H.B. No. 3118, 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 and stated:

"Mr. President, I stand in opposition to this bill.

"Well, this is the granddaddy of them all. This is a bill that came from the House originally and according to the sponsor of the bill, quote, 'these new ideas will change the way business defines success, creating a public benefit that is far greater than government could ever achieve by itself,' unquote. The purpose here is to create, actually create responsible corporations that are created in the eye of government and that they will do what the government wants them to do.

"It's interesting that the testimony in support came from the Democratic Party of Maui, the Democratic Party of Oahu, and some organization name Moveon.org. I'm not familiar with them. I don't know if it's a transportation organization or what. Their whole concept here is that corporations need to be more responsible. They need to do more what certain people in government tell them that they should do. And if they do those things, those certain people in government will see that they are rewarded by paying less corporate income taxes. They really attack the profit motive because that's a bad thing and they say that, quote, 'it is ignoble servitude to merely pursue profit over conscience, morality, and the common good,' unquote.

"Now Mr. President, we both know there are some bad corporations just like unfortunately there are some bad Legislators. That's the way it is, the luck of the draw, but a corporation does have a social responsibility, and as the eminent Nobel Prize-winning economist Milton Friedman said years ago – that primary responsibility is to stay in business and make a profit because if they do, they provide a valuable service or good, they create jobs for individuals, they create choices for communities, they create income. If, however, they are of the Enron variety, then they should be prosecuted for violation of any law. But to believe that a government, particularly a state government, can create a responsible corporation, a responsible business corporation, from looking back at some of the trends within our state government, I think is really fooling ourselves and fooling the public.

"We can laugh at bills like this, as some have done, but I think really it gives us an insight into the minds of those people that don't trust business and they certainly don't trust profit because we are usually working in a profitless environment here. We're spending other people's money. We're spending their incomes. We're spending their lives for them. We don't care whether they really profit out of education or anything else. We don't hold anybody responsible, but yet we're willing to create the responsible business corporation act. And as the sponsor said, we could be the first in the nation to do this. Ah, yes, we could be – just like the first in the nation for the gas cap, first in the nation for the gross income general excise tax, first in the nation for a single statewide school district. None of these examples by the way, and prepaid healthcare act, none of these examples have been emulated or followed by any other state in the nation and none will be because they're half-baked.

“The sponsors say that by having this newly created government corporation that other businesses will flock to Hawaii, and those people that have morality and a social conscience will invest in those kinds of businesses. Well, guess what? Nobody is going to flock to us when we have a hostile business environment and a high tax burden. And those people that are socially conscience that want to invest in certain companies that do certain things and not invest in certain companies that don’t do those things, guess what? They’re free to do those right now, and many people do, and more power to them.

“But the idea that we can construct and create a responsible business corporation from the hands of many government officials who have never ever made a private payroll in their lives is ludicrous. So I think we should bury this legislation. Thank you, Mr. President.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3518 was adopted and H.B. No. 3118, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO CORPORATIONS,” 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 (Kim).

Stand. Com. Rep. No. 3519 (H.B. No. 439, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3519 be adopted and H.B. No. 439, H.D. 1, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition and stated:

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

“The ombudsman currently does not have access to your tax returns and the question should be why should the office of the ombudsman have access to your tax returns? We’re already so concerned about privacy and identity theft, as we should be. To distribute private financial information even more, increases that risk of more identity theft and more invasion of privacy. But more importantly, what’s the purpose? Why does the office of ombudsman need personal and business tax returns?

“The office of ombudsman, according to the HRS is to intervene and help one taxpayer navigate the problems and the zigs and the zags between governmental agencies when he or she finds a roadblock and does not get help. I don’t see the reason for this. I don’t see the need for it but I see a great deal of misuse and a great deal of danger. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3519 was adopted and H.B. No. 439, H.D. 1, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO THE OFFICE OF THE OMBUDSMAN,” 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 (Kim).

Stand. Com. Rep. No. 3520 (H.B. No. 487, H.D. 1, S.D. 3):

Senator Taniguchi moved that Stand. Com. Rep. No. 3520 be adopted and H.B. No. 487, H.D. 1, S.D. 3, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose to speak in opposition as follows:

“Mr. President, I rise in opposition to this measure. Thank you, colleagues, for the opportunity to talk about foreign trade zones twice in one afternoon.

“In the Hawaii Revised Statutes, the sections regarding the foreign trade zone is Chapter 212. Most of Chapter 212 was passed during the 1963 Legislative Session. However, in 1967 the section regarding the exemption from state taxes was included. It was included at that year so that perspective users of the foreign trade zone would have certainty over what was a taxable event or a nontaxable event from the viewpoint of the Department of Taxation.

“Many years later, the Hawaii Fueling Facility Corporation became a foreign trade zone because they were purchasing . . . I’m sorry, they weren’t purchasing, they were storing fuel for use by the 20 or so airlines that came to Honolulu International Airport, and most of the fuel was coming from two foreign trade subzones – Chevron and Hawaiian Independent Refinery. At that time and till today, at the airport there was a dual fueling system. One set of pipes carried bonded fuel or non-duty paid fuel for qualifying international flights. The second fuel system supplied domestic fuel.

“The reason that Hawaii Fueling Facility Corporation became a foreign trade zone was to avoid penalties by the US Customs Service if they inadvertently loaded foreign fuel on an airline that was flying a domestic flight. That was the sole reason. They did not become part of the foreign trade zone to exempt themselves or their users from state taxes. Those two points need to be clearly understood. In fact, Hawaii Fueling Facility when they applied for a foreign trade zone said in writing that they were applying for that foreign trade zone for the customs benefits and they were not seeking it to avoid the application of any state taxes.

“The US Customs Service and the federal government treats international flights differently than flights from here to the mainland, differently than flights from here to the neighbor islands. The bill is wrong when it says that it is seeking comparability to that of the flights to the US mainland. What they are seeking to do is to have special treatment in the transportation of people and goods interisland – treatment that is not similarly afforded to Matson or Young Brothers Barge. It is for this non-level playing field that makes me rise and speak against the bill.

“Those that know me know that I support the repealing of tax pyramiding. I support the elimination of business to business taxes, but let’s do it across the board, equally, fairly to everyone at the same time, not allowing the elimination at the Hawaii Tourism Authority earlier today and then allowing it again for only domestic flights interisland and not on ocean cargo. Thank you.”

Senator Inouye rose in support of the measure and stated:

“Mr. President, I speak in support of H.B. No. 487, Stand. Com. Rep. No. 3520.

“Again, I disagree with my colleague to my right. What we are saying is let our interisland carriers have parity. Sales of fuel sold from our FTZ zone for airlines for interstate commerce are already exempt from the state’s GET and use taxes. So this measure simply extends this exemption for airlines flying passengers interisland, therefore keeping them competitive.

“I ask my colleagues to please support this measure. Thank you.”

Senator Trimble rose in rebuttal and said:

"Mr. President, I stand in brief rebuttal.

"To my honored colleague to my left, they are not being taxed not because the fuel is coming from a foreign trade zone. They are not being taxed because the fuel is consumed outside the State of Hawaii over international waters. That is the defining characteristic and that is why we should treat interisland flights and interisland ocean cargo the same. Thank you."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3520 was adopted and H.B. No. 487, H.D. 1, S.D. 3, 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, 22. Noes, 1 (Trimble). Excused, 2 (Kim, Nishihara).

Stand. Com. Rep. No. 3522 (H.B. No. 1033, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3522 be adopted and H.B. No. 1033, 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.

"Certainly I think we should do everything we can to help farmers, but this is not the way to do it. This bill would give a tax credit to those farmers that have to buy their water from the counties at a different price than they would have paid for water had the farmer had access to a state irrigation system. So, they don't have access and they're paying more, presumably, for a county system.

"All of us who watch television see commercials from the mainland – Kohl's, Olive Garden, Dominos Pizza. That's particularly nasty because at the bottom after they get you all excited about having the \$3.00 pizzas, in .0004 type it says not available in Alaska or Hawaii. So, I guess my question should be, if this theory is good for farmers, then it should be good for everyone because if I have to go to Macy's or Ross and pay more than I would for Kohl's because we don't have a Kohl's here, or because I buy my pizza at a pizza place and it's not applicable because it's on the mainland, or there's something that's not here, do I in fact deserve a tax credit? And the answer clearly is no.

"If we want to solve the problem for the farmers, then we should look at expansion of the state irrigation system or we should look at something else that equalizes the cost. But to give a tax credit because it's not available doesn't seem to make any economic or fiscal sense. Thank you."

Senator Inouye rose and said:

"Mr. President, I will be abstaining from voting on this measure, Stand. Com. Rep. No. 3522, H.B. No. 1033, S.D. 2. I feel I am in conflict as I will benefit from this irrigation income tax credit. My 10-acre farm in its entirety is in AG activity and this business is on my financial disclosure form. Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3522 was adopted and H.B. No. 1033, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 2 (Slom, Trimble). Abstained, 1 (Inouye). Excused, 2 (Kim, Nishihara).

At 3:00 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 3:00 o'clock p.m.

Stand. Com. Rep. No. 3526 (H.B. No. 1862, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3526 was adopted and H.B. No. 1862, H.D. 2, 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, none. Excused, 4 (Ige, Kim, Trimble, Whalen).

Stand. Com. Rep. No. 3527 (H.B. No. 1865, H.D. 1, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3527 was adopted and H.B. No. 1865, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 2 (Hemmings, Trimble). Excused, 4 (Ige, Ihara, Kim, Whalen).

Stand. Com. Rep. No. 3528 (H.B. No. 2182, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3528 be adopted and H.B. No. 2182, 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 and said:

"Mr. President, could I offer brief remarks in opposition?"

"Colleagues, the reason why I'm opposed to this is that it provides for a new funding mechanism that are outside the calculation of the bond limits for the State of Hawaii and some people feel that this might lead to a deterioration of the state's bond rating and that would wind up costing us all a lot more money. Thank you, Mr. President."

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3528 was adopted and H.B. No. 2182, 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, 19. Noes, 2 (Slom, Trimble). Excused, 4 (Ige, Ihara, Kim, Whalen).

Stand. Com. Rep. No. 3529 (H.B. No. 3237, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3529 was adopted and H.B. No. 3237, 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, 18. Noes, 3 (Hemmings, Slom, Trimble). Excused, 4 (Ige, Ihara, Kim, Whalen).

Stand. Com. Rep. No. 3530 (H.B. No. 1889, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3530 be adopted and H.B. No. 1889, H.D. 1, S.D. 2, 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 stand in opposition to this measure.

“Colleagues, if we pass this it will be a giant step backward. We can ignore for the moment that we had three such international agencies before in our short state history. We enacted them because we thought they were going to do some good. We had them for awhile then we did away with them. The first one was called the Hawaii International Services Agency. The other two I’ve forgotten. The current mayor used to be head of the equivalent office when it was attached to the Governor’s Office.

“The point is that in today’s society because of globalization, every section in DBEDT is doing business internationally – every agency. Hawaii Tourism Authority is doing business internationally. To create such an agency would be to ignore history and to step backwards in time. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3530 was adopted and H.B. No. 1889, H.D. 1, 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 (Kim).

Stand. Com. Rep. No. 3531 (H.B. No. 2175, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3531 was adopted and H.B. No. 2175, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO ENERGY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3534 (H.B. No. 3142, H.D. 2, S.D. 2):

On motion by Senator Taniguchi, seconded by Senator Tsutsui and carried, Stand. Com. Rep. No. 3534 was adopted and H.B. No. 3142, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO TRAUMA CARE,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (Hemmings, Slom, Trimble, Whalen). Excused, 1 (Kim).

Stand. Com. Rep. No. 3535 (H.B. No. 1866, H.D. 1, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3535 be adopted and H.B. No. 1866, 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 stated:

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

“This bill ostensibly is to increase or expand or redefine autonomy for the University of Hawaii, which we passed several years ago. But it doesn’t do that. What it really does is penalize the university and now give autonomy to the Department of Education, which is out of control.

“The Department of Education had a very severe financial audit by Price Waterhouse last year. They have so many problems that need to be addressed. The answer is not to give them more autonomy. The answer is to give them more scrutiny and not to give them anymore money. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3535 was adopted and H.B. No. 1866, 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, 3 (Hemmings, Hogue, Slom). Excused, 2 (Kim, Menor).

Stand. Com. Rep. No. 3536 (H.B. No. 2183, H.D. 1, S.D. 1):

Senator Taniguchi moved that Stand. Com. Rep. No. 3536 be adopted and H.B. No. 2183, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose with reservations on the measure as follows:

“Mr. President, I stand to express reservations.

“Colleagues, this measure when you think about it, I want you to think about it in two respects. It has to do with emergency shelters that are capable of withstanding a 500-year hurricane event. Because we’re an island surrounded by water, it is equally appropriate that in the consideration of the safety and ability of the shelter to withstand the forces of nature, we also include consideration for a 500-year tsunami event.

“The second thing that I’d like to get across is the safest place for our residents should be where they are currently living. With an appropriate land use policy we would not be putting residents in harm’s way so that they wouldn’t need to be evacuated for an emergency shelter. So, I think we need to think in terms of both considering tsunamis and making sure through appropriate land use policy that the least number of people would have to be evacuated. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3536 was adopted and H.B. No. 2183, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO EMERGENCY SHELTERS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

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

Stand. Com. Rep. No. 3538 (H.B. No. 2176, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3538 be adopted and H.B. No. 2176, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Tsutsui.

Senator Trimble rose in opposition and stated:

“Mr. President, I am rising in opposition to this measure because it contains two tax credits. One of them deals with low income home buyers. My suggestion is that if we really want to make it easier for people that are in the lower income group and not do it this little section and that little section at a time, we

would approach it holistically by raising the standard deduction and the personal exemption to the same level used by the federal government. Thank you, Mr. President.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3538 was adopted and H.B. No. 2176, 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, 23. Noes, 1 (Trimble). Excused, 1 (Kim).

Stand. Com. Rep. No. 3539 (H.B. No. 3115, H.D. 2, S.D. 2):

Senator Taniguchi moved that Stand. Com. Rep. No. 3539 be adopted and H.B. No. 3115, H.D. 2, 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, here we are at the end of the Session and gee, it’s only 3:10.

“Well, what can we say about this bad, rotten bill? I guess what we can say is it’s a fake, fake, fake! It doesn’t help the consumers. It doesn’t help the public. And guess what – people actually believe that this bill suspends the rotten gas cap, but it does not. We know that. We know that to be a fact.

“What it says in the purpose clause in the committee report is the purpose is to provide Hawaii’s gasoline consumers with fair market related gasoline prices in a local oligopolistic petroleum industry. It doesn’t say anything about reducing prices because that was never the intent of the gas cap. The gas cap was to manipulate prices and that’s what we’ve done. Everybody was rushing to get their gas yesterday because prices went up 14 cents a gallon again. We’re over \$3.00 and it will continue to go up.

“No matter how many times the supporters of this failed legislation try to call our attention through letters to the editor that it really is working – it really is, it really is – they can’t fool the public. The public knows they’ve been taken to the cleaners. The public knows that our prices are artificially high because of this only state in the nation legislation, and tinkering with it now, which is all this bill does, is not going to fix that.

“What we needed to do was what the House had the guts to do and that is to say ‘hey, we made a mistake, suspend this bill.’ But no, we don’t do that over in the Senate. Instead we’re going to plaster stuff all over it. We’re going to have new calculations. We’re going to add Singapore, maybe that means that some of us in the Senate, well probably not the Minority, but some of us will get to take trips to Singapore to see how the gasoline petroleum industry works there.

“What we do know is it’s not going to solve our problem. What we do know is it is an abomination and it is a slap in the face of the industry and of private enterprise and no matter what we hear from congressional wannabes about how great this particular bill is, they can’t fool the public and the public knows this is a bad anti-consumer, high cost, bill. We should bury it now. We should listen to our counterparts across the hall and suspend or repeal this bad legislation.

“Thank you, Mr. President.”

Senator Menor rose in support of the measure and stated:

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

“Mr. President, I ask my colleagues to support this measure because it really is a fair reasonable and balanced pro-consumer measure that addresses the concerns of many of my fellow colleagues about our existing gas pricing law.

“The previous speaker, as is also true with other critics of this measure, continue to spread misinformation and they’ve done so out of their zeal to continue to defend and champion the oil companies. They’ve done a good job in misleading the public into believing that our gas pricing regulation has enabled the oil companies to set prices higher than they would have been if we did not have gas pricing regulations in effect. The critics keep spreading this misinformation notwithstanding the fact that past pricing data clearly demonstrate that gas prices in Hawaii would be going up even without pricing regulation in effect because Hawaii is a part of a national market where prices have been increasing and prior to the implementation of our gas pricing law, Hawaii prices always, always tracked mainland price increases.

“Mr. President, this campaign of misinformation provides another important reason why we need to pass this bill because the amendments that are contained in this bill will put the critics of our gas pricing law, including the previous speaker, along with the oil companies, gasoline wholesalers and their hired as well as their elected spokespersons to the test. These critics have blamed again the price ceiling for high gasoline prices and they have repeatedly stated that prices would be lower and more competitive if we did not have gas pricing regulation in place. My response is, okay, let’s see if the oil companies and wholesalers lower prices after we suspend the gas pricing ceiling and allow them greater freedom. On the other hand, if the oil companies and wholesalers set gas prices consistently above the price ceiling after it has been suspended, this pricing practice would support the contention of those who support our existing law that the oil industry will always strive to set prices at the highest levels in order to maximize profits and therefore that pricing regulation is needed to keep them in check for the protection of consumers.

“Mr. President, another important reason for this bill is that it will strengthen and improve the transparency provisions of the original House and administration’s bills. This will create a true and effective system of transparency that clearly establishes once and for all what the actual wholesale prices are and will allow consumers to compare them with what prices would have been with the price ceiling in place.

“The amendments will also ensure that public and elected officials will have all of the data they will need to effectively monitor the pricing schemes and anti-competitive practices of the oil industry. This represents a significant improvement over the House and the administration’s proposals that fall far short of true transparency. Under their proposals, all the information and data reported by the industry to the PUC is considered confidential trade secrets. Anyone at the PUC that actually allowed the public, the Legislature, the media, or any other party to see any of the information or data reported by the companies would face a loss of job and criminal prosecution.

“I believe that a major goal of transparency is to raise the curtain of secrecy around the industry pricing practices to create a deterrent to price fixing and other anti-competitive practices and this measure accomplishes this objective.

“Another key provision will allow the Governor greater discretion in suspending the fair price indicator if the administration finds that the triggering of the indicator will

cause a negative impact on the economy, public order, or the health, welfare, or safety of the people of Hawaii, and not only in those instances where the Governor finds, under existing law, that the price ceiling would result in major adverse impacts. In this regard, Mr. President, the administration will have all the latitude that they will need to be able to take action if they feel that the law is detrimental to the public and will no longer play politics where on the one hand they criticize our law and on the other hand fail to take concrete and specific action to address their particular concerns.

“And finally, in regards to the previous speaker’s criticism that this is not a true suspension of the gas pricing regulation, I’d like to point out that this criticism indicates that the previous speaker has not read the bill carefully. Unlike our current law, which establishes a maximum pricing ceiling beyond which the oil companies would not be able to raise prices, this law will allow the oil companies to set prices as high or as low as they want. Pricing regulation would only be reinstated only if prices exceeded the fair price indicator for two consecutive weeks after which the oil companies would be required to lower their prices. Mr. President, what’s wrong with that? Are the critics from across the aisle saying that the oil companies need to be given even greater freedom to price gauge consumers indefinitely? If they are, then I think that they need to take the time to reflect upon their responsibilities to the general public instead of to the oil companies.

“And finally, as I state earlier, the implementation of the provisions of this bill will put the oil companies to the test. Since the critics have contended gas prices will be lower without a gas cap, then they should have nothing to worry about that gas prices will rise above the fair price indicator.

“Mr. President, I believe again that this is a fair, balanced, and reasonable measure that’s designed to address the concerns of many of my colleagues, especially those in the House, and accordingly, I would respectfully request this Body to vote in favor of this measure. Thank you.”

Senator Taniguchi rose with reservations and said:

“Mr. President, I’d like to just note my reservations based on concerns raised by the owner of the service station I go to that were raised after the bill had passed out of my Committee. However, I’m confident that the Chair of CPH will attempt to address these concerns in Conference and that’s why I’m just noting my reservations.”

Senator Hemmings rose to speak against the measure and stated:

“Mr. President, I rise to speak against this legislation.

“I heard a lot of interesting spin on this issue and from what I hear, the critics of this bill are the consumers of the State of Hawaii. What’s really fortunate about this legislation is we have a long history of previous legislation that speaks to the issue and to the author of the previous legislation. Four years ago we got a retail price cap. I remember hearing on the Floor the same rhetoric about being pro-consumer and the critics and the big bad oil companies and this was going to save the consumers money. Well, lies were sent out at election time about the gas cap and about the vote and about the people involved in it politically, and lies were sent out about people that weren’t even involved, by the way. But guess what, the record will show that the previous speaker from Mililani had to reverse himself because he was wrong. The legislation was wrong and it was rescinded.

“Two years ago, we passed what we’re dealing with now and the previous speaker from Mililani rose and gave us the same spin he gave us four years ago about how wonderful the gas cap would be and would fight the big bad oil companies who are exploiting the market and the consumers would all say hooray. Well, the critics remain the same. The critics are not just the Minority Party, they’re the consumers of the State of Hawaii. If you want to talk about price fixing, the price fixing is going on by government. That’s who’s fixing the price, and the consumers that I talk to, my constituents and constituents around this state, have spoken loud and clear about it that this legislation stinks. And now what we’re getting is a new spin. We’re going to get a quote, unquote, ‘repeal that’s really not a repeal’ unless certain thresholds are met and those thresholds have to do with the prices beyond our control in other markets. Once again, price fixing.

“But I would offer to my colleagues this suggestion, that you ignore what I say and you ignore what the proponent of this bill says and claims, and look at the record – look at the record of previous legislation, look at the record of who the critics are of this legislation, and more importantly, look at what the people in the marketplace that are suffering under this legislation have to say about it. If you vote on those considerations, you will surely vote ‘no.’ Thank you, Mr. President.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3539 was adopted and H.B. No. 3115, 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 (Kim).

REFERRAL OF HOUSE CONCURRENT RESOLUTIONS

MATTERS DEFERRED FROM FRIDAY, APRIL 7, 2006

The President made the following committee assignments of House concurrent resolutions that were received on Thursday, April 6, 2006, and Friday, April 7, 2006:

House Concurrent Resolution	Referred to:
No. 12	Jointly to the Committee on Water, Land, and Agriculture and the Committee on Intergovernmental Affairs
No. 76, H.D. 1	Jointly to the Committee on Health and the Committee on Intergovernmental Affairs
No. 82	Jointly to the Committee on Business and Economic Development and the Committee on Energy, Environment, and International Affairs
No. 98, H.D. 1	Committee on Water, Land, and Agriculture
No. 101	Committee on Water, Land, and Agriculture
No. 164	Committee on Water, Land, and Agriculture
No. 166, H.D. 1	Committee on Human Services

<p>No. 172 Jointly to the Committee on Business and Economic Development and the Committee on Energy, Environment, and International Affairs</p> <p>No. 174 Committee on Water, Land, and Agriculture</p> <p>No. 195 Committee on Energy, Environment, and International Affairs</p> <p>No. 197 Committee on Health</p> <p>No. 200, H.D. 1 Committee on Water, Land, and Agriculture</p> <p>No. 218, H.D. 1 Jointly to the Committee on Media, Arts, Science and Technology, the Committee on Business and Economic Development and the Committee on Water, Land, and Agriculture</p> <p>No. 234 Committee on Business and Economic Development, then to the Committee on Water, Land, and Agriculture</p> <p>No. 238 Committee on Water, Land, and Agriculture</p> <p>No. 249 Committee on Water, Land, and Agriculture</p> <p>No. 261, H.D. 1 Jointly to the Committee on Energy, Environment, and International Affairs and the Committee on Water, Land, and Agriculture</p> <p>No. 270 Committee on Higher Education</p> <p>No. 289 Committee on Transportation and Government Operations, then to the Committee on Water, Land, and Agriculture</p> <p>No. 290, H.D. 1 Jointly to the Committee on Health and the Committee on Human Services</p> <p>No. 305 Committee on Energy, Environment, and International Affairs</p> <p>No. 307, H.D. 1 Committee on Energy, Environment, and International Affairs</p> <p>No. 317 Committee on Energy, Environment, and International Affairs</p> <p>No. 320 Committee on Media, Arts, Science and Technology</p>	<p>S.C.R. No. 67; S.C.R. No. 128; S.C.R. No. 148; and S.C.R. No. 172,</p> <p>and the Chair granted the waiver.</p> <p>By unanimous consent, the following concurrent resolutions were placed on the calendar for Adoption on Thursday, April 13, 2006:</p> <p>S.C.R. No. 13, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO CONVENE A WORK-FAMILY TASK FORCE TO REVIEW HAWAII'S WORK-FAMILY LAWS AND POLICIES, AND REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY OTHER STATES' LAWS AND PRACTICES THAT PROMOTE GOOD WORK-FAMILY POLICY";</p> <p>S.C.R. No. 17, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII";</p> <p>S.C.R. No. 18, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A FINANCIAL AND MANAGEMENT AUDIT OF THE CAPITAL FUND PROGRAM ADMINISTERED BY THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII";</p> <p>S.C.R. No. 44, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF THE CAPITAL IMPROVEMENT PROJECTS OF THE DEPARTMENT OF TRANSPORTATION";</p> <p>S.C.R. No. 60, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE DEPARTMENT OF EDUCATION EXEMPT THE HIGH CORE PROGRAM'S COMPREHENSIVE SCHOOL ALIENATION PROGRAM FUNDING FROM THE WEIGHTED STUDENT FORMULA BUDGETING PROCESS AS WAS INTENDED BY THE COMMITTEE ON WEIGHTS AND THE BOARD OF EDUCATION";</p> <p>S.C.R. No. 61, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THAT THE AUDITOR CONDUCT A FISCAL AND PROGRAM AUDIT OF THE DEPARTMENT OF EDUCATION'S HAWAIIAN STUDIES PROGRAM";</p> <p>S.C.R. No. 67, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ENSURE THAT THE CURRENT RESIDENTIAL ALTERNATIVE COMMUNITY CARE PROGRAM MODEL IS NOT DISMANTLED WITH THE PROPOSED QUEST EXPANDED ACCESS PROGRAM";</p> <p>S.C.R. No. 128, S.D. 1, entitled: "SENATE CONCURRENT REQUESTING THAT THE DEPARTMENT OF HAWAIIAN HOME LANDS ENTER INTO A LEASE/PURCHASE AGREEMENT FOR THE CONSTRUCTION OF A NEW OFFICE FACILITY ON HAWAIIAN HOME LANDS IN EAST KAPOLEI TO BE FUNDED BY THE ISSUANCE OF CERTIFICATES OF PARTICIPATION";</p>
<p>At 3:21 o'clock p.m., the Senate stood in recess subject to the call of the Chair.</p> <p>The Senate reconvened at 3:22 o'clock p.m.</p> <p>Senator Taniguchi, Chair of the Committee on Ways and Means, requested that the referrals to the Committee on Ways and Means be waived for the following resolutions:</p>	
<p>S.C.R. No. 13; S.C.R. No. 17; S.C.R. No. 18; S.C.R. No. 44; S.C.R. No. 60; S.C.R. No. 61;</p>	

S.C.R. No. 148, entitled: "SENATE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO WORK WITH THE SAMUEL MILLS DAMON ESTATE TRUSTEES, MOANALUA GARDENS FOUNDATION, THE TRUST FOR PUBLIC LANDS, THE NATURE CONSERVANCY, AND OFFICE OF HAWAIIAN AFFAIRS TO PURCHASE THE MOANALUA GARDENS"; and

S.C.R. No. 172, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF EDUCATION TO TAKE INTO ACCOUNT THE NEED TO RENOVATE AGING CLASSROOM SPACES AND OTHER CHANGING EDUCATIONAL NEEDS WHEN DETERMINING CAPITAL IMPROVEMENT PROJECT PRIORITIES."

Senator Chun Oakland, Chair of the Committee on Human Services, requested that the referral of S.C.R. No. 200 to the Committee on Human Services be waived.

Senator Chun Oakland noted:

"Mr. President, S.C.R. No. 200 requests support for the University of Hawaii Center on Aging, Research and Education."

The Chair then granted the waiver.

By unanimous consent, the following concurrent resolution was placed on the calendar for Adoption on Thursday, April 13, 2006:

S.C.R. No. 200, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING SUPPORT FOR THE UNIVERSITY OF HAWAII'S CENTER ON AGING, RESEARCH, AND EDUCATION."

Senator Hanabusa, Chair of the Committee on Judiciary and Hawaiian Affairs, requested that the referral of S.C.R. No. 52 to the Committee on Judiciary and Hawaiian Affairs be waived, and the Chair granted the waiver.

By unanimous consent, the following concurrent resolution was placed on the calendar for Adoption on Thursday, April 13, 2006:

S.C.R. No. 52, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE COMMITTEES ON HUMAN SERVICES OF THE SENATE AND HOUSE OF REPRESENTATIVES TO CONVENE INTERIM HEARINGS ON THE USE OF LEGAL INTERVENTIONS AVAILABLE TO THE FAMILY COURT."

APPOINTMENT OF CONFEREES

S.B. No. 2479 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 2479, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Hanabusa, co-chair; Hemmings as managers on the part of the Senate at such conference.

S.B. No. 2984, 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. 2984, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Hanabusa,

Taniguchi, co-chairs; Hemmings as managers on the part of the Senate at such conference.

S.B. No. 3049, 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. 3049, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Kokubun, chair; Baker, co-chair; Whalen as managers on the part of the Senate at such conference.

H.B. No. 2780, 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. 2780, 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.

H.B. No. 3101, 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. 3101, 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. 3242 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 3242, and the request for a conference on the subject matter thereof, the President appointed Senators Hanabusa, chair; Chun Oakland, Whalen as managers on the part of the Senate at such conference.

H.B. No. 3256, 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. 3256, 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 3:24 o'clock p.m., on motion by Senator Hee, seconded by Senator Trimble and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, April 13, 2006.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate