

## SIXTIETH DAY

Thursday, May 3, 2007

The Senate of the Twenty-Fourth Legislature of the State of Hawai'i, Regular Session of 2007, convened at 10:17 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by the Reverend Thomas M. Van Culin, St. Matthew's Episcopal Church of Waimanalo, after which the Roll was called showing all Senators present.

The President announced that she had read and approved the Journal of the Fifty-Ninth Day.

## MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 808 to 819) were read by the Clerk and were placed on file:

Gov. Msg. No. 808, dated May 1, 2007, transmitting her statement of objections to House Bill No. 854 which she has returned to the House of Representatives without her approval and which reads as follows:

“EXECUTIVE CHAMBERS  
HONOLULU

May 1, 2007

## STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 854

Honorable Members  
Twenty-Fourth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 854, entitled 'A Bill for an Act Relating to Continued Temporary Total Disability Benefits to Injured Employees.'

This bill allows the continuation of temporary total disability (TTD) benefits until the Director of Labor and Industrial Relations (Director) issues a decision terminating the benefits or until the employee's treating physician determines that the employee is able to resume work and the employer has made a bona fide offer of work within the employee's medical restrictions.

Currently, pursuant to section 386-31(b), Hawaii Revised Statutes, an employer/insurance carrier (employer) may terminate TTD benefits upon order of the Director or if an employee is able to return to work. The existing law provides that an employer must notify the employee and the Director of its intent to terminate TTD benefits at least two weeks prior to the date when the last payment is to be made. Section 386-31(b) also requires the notice to inform the employee that the employee may make a written request to the Director for a hearing if the employee disagrees with the employer's decision to terminate TTD benefits. Current law protects against unwarranted early termination of benefits by allowing the Labor Director to assess a twenty percent penalty against an employer who fails to continue paying an injured worker.

While I support the intent to ensure that injured workers collecting TTD benefits receive their benefits in a timely manner while preventing employers from unreasonably denying or delaying payment of TTD benefits, this bill is objectionable for the following reasons:

(1) It does not recognize that the twenty percent penalty already deters employers from terminating TTD benefits unless there is a valid and good faith basis to do so.

(2) Although this bill entitles an employer to a credit, any credit is limited to the amount paid to the employee after notification by the Director of the Director's determination. Any benefits paid prior to the decision of the Director are specifically not recoverable by the employer. Because most employers will immediately terminate benefits once they receive notice of the Director's decision, the period of credit allowed by the bill is an extremely short period of time, and more importantly, specifically excludes the period in which the employee collected benefits to which the employee was not entitled. In other words, even if the Director determines that TTD benefits should have been terminated at some prior date, an employer would not be entitled to a credit nor would it be allowed to recover any of the TTD benefits paid prior to the decision of the Director, thereby allowing an employee to retain benefits to which the employee was not entitled.

(3) The bill would needlessly increase the costs of workers' compensation claims and would also create a disincentive to return to work. More specifically, it may encourage certain employees to continue to contest returning to work because even if the Director determines the employee should and could have returned to work, the employee bears no risk for failing to do so, as the benefits the employee was paid are non-recoverable by the employer.

(4) It provides a process for an employee, but not an employer, to request a hearing. Pursuant to this bill, an employer cannot terminate TTD benefits unless the Director orders the termination of benefits or the employee's treating physician determines that the employee is able to resume work and the employer has made a bona fide offer of work within the employee's medical restrictions. The bill, however, does not provide a specific process for the employer to request a hearing, establishing inequitable treatment of the employer versus the employee through this provision.

(5) Finally, this bill establishes disincentives for an employee to return to work within a reasonable time since their wage benefits continue as long as they stay away from their job and their treating medical provider allows them to do so. Since the employee must initiate the request for a Department of Labor and Industrial Relations hearing, the bill is silent as to what happens if the employee fails to request a hearing.

For the foregoing reasons, I am returning House Bill No. 854 without my approval.

Respectfully,

/s/ Linda Lingle  
LINDA LINGLE  
Governor of Hawaii"

Gov. Msg. No. 809, dated May 1, 2007, transmitting her statement of objections to House Bill No. 861 which she has returned to the House of Representatives without her approval and which reads as follows:

“EXECUTIVE CHAMBERS  
HONOLULU

May 1, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 861

Honorable Members  
 Twenty-Fourth Legislature  
 State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 861, entitled 'A Bill for an Act Relating to Public Works.'

The purposes of this bill are as follows: (1) to require that public work projects financed through the issuance of special purpose revenue bonds (SPRBs) are reported by the Director of Finance to the Department of Labor and Industrial Relations (DLIR); (2) to require the DLIR to monitor projects where there is no governmental contracting agency for compliance with chapter 104, Hawaii Revised Statutes (H.R.S.), Hawaii's Wages and Hours of Employees on Public Works Law; 3) to make chapter 104, H.R.S., applicable to housing developed by the Hawaii Housing Finance and Development Corporation pursuant to chapter 201H, H.R.S.; and (4) to provide that, when a SPRB project party enters into a collective bargaining agreement with a bona fide labor union governing the projects party's workforce, the wages and terms provided by that collective bargaining agreement be deemed the prevailing wage and terms for that project party's work force on the public work construction project.

SPRBs are used to build hospitals, schools, early childhood education centers, utilities, housing projects, and related works deemed to be in the best interest of the general public. Often it is non-profit organizations that seek SPRBs to finance a new structure. This funding tool is used to lower interest costs of the financing for such projects. No taxpayer funds are used and taxpayers are not responsible for a default on the bonds.

Subjecting these projects to the administrative burdens in Chapter 104 runs counter to the intent and spirit of using SPRBs to help reduce expenses incurred by strictly private and non-profit entities and may actually act as a deterrent to using this financing mechanism and decrease the number of projects on behalf of the general community.

In 2003, the Attorney General's office opined that SPRB projects are public works projects as defined under Section 104-2(a) HRS and are subject to prevailing wage provisions. However, Chapter 104 requires that the public work is to be performed by a contracting government agency that oversees the work and holds the appropriated funds. However, with SPRBs, funds go directly from the lending institution to the entity building the project and no government agency oversees the work.

This bill attempts to remedy this problem by requiring the Department of Labor and Industrial Relations to act like the governmental contracting agency. However, the Department has no authority to oversee the work of a SPRB project nor would it be able to withhold funds should the non-profit or firm building the SPRB-financed project violate Chapter 104.

Furthermore, this bill specifies when an employer has entered into a collective bargaining agreement with a labor union, the terms of that agreement will be the prevailing wages on that project. This provision has the potential to create a different prevailing wage for each project and would negate current law requiring a single prevailing wage. This provision could also result in a conflict with Section 104-2(b)(2) which requires Hawaii's prevailing wages paid to workers to not be lower than the federal rates for Hawaii.

Additionally, this bill would place enforcement and monitoring functions on the Department of Labor and Industrial Relations without the commensurate resources to carry out these duties.

For the foregoing reasons, I am returning House Bill No. 861 without my approval.

Respectfully,

/s/ Linda Lingle  
 LINDA LINGLE  
 Governor of Hawaii"

Gov. Msg. No. 810, dated May 1, 2007, transmitting her statement of objections to House Bill No. 910 which she has returned to the House of Representatives without her approval and which reads as follows:

"EXECUTIVE CHAMBERS  
 HONOLULU

May 1, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 910

Honorable Members  
 Twenty-Fourth Legislature  
 State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 910, entitled 'A Bill for an Act Relating to Public Financial Disclosure Statements.'

The purpose of this bill is to make the financial disclosure statements of the members of ten boards and commissions a matter of public record and available for inspection and duplication.

This bill is objectionable because it will adversely impact the ability of the State to attract knowledgeable and qualified volunteers to serve on boards and commissions.

Members of boards and commissions already file annual financial disclosure statements with the Ethics Commission. This allows members of the Ethics Commission to determine if conflicts of interest exist. These forms are not made public thus affording a careful balancing of the interest of the public and the privacy of the volunteers who serve. Subjecting a board member's personal financial, proprietary, and commercial information to public disclosure and duplication could adversely affect the ability of these individuals to conduct their business and maintain the confidentiality of their personal assets.

Second, this bill fails to recognize the safeguards already in place to ensure ethical behavior by board and commission members. Board and commission decisions are already subject to the Sunshine law requiring open meetings and public recording of the proceedings. Members of the public who are concerned that a conflict may exist have a reasonable opportunity to raise that concern. Furthermore, members of the public can request the Ethics Commission to investigate a commissioner or board member if they believe a conflict may be present.

Many board and commission members are subject to confirmation by the State Senate. The Senate has the opportunity and an obligation through this process to ensure that the members they are confirming will live up to the highest

ethical standards of the State. Additionally, some boards, such as the Board of Land and Natural Resources, are already subject to statutorily mandated disclosure rules that require a member to disqualify themselves from voting or participation in a discussion where they have a direct or indirect interest. This bill fails to recognize these existing safeguards.

Third, this bill singles out ten specific boards and commissions but fails to address why these boards should be subject to public disclosure while numerous other boards and commissions that serve the State will not be subject to the same requirements. Furthermore, this bill attempts to improperly equate members of boards and commissions who serve without compensation as if they were the same as paid State employees or elected officials. If this proposed bill applied only to the Public Utilities Commissioners, it would be an acceptable measure since these commissioners are full-time paid members during their tenure.

Finally, the bill is objectionable because it would change the requirements of financial disclosure in mid-stream. Because this bill would take effect upon approval it would subject existing board and commission members to new rules that were not in place at the time they agreed to serve and were appointed to their positions. Changing the rules is both unfair and inappropriate to those who are giving of their time and talents to improve the operations of State government. If the measure applied prospectively, then it would be less onerous than as currently written.

My Administration has consistently supported open and timely disclosure of potential conflicts by members of all State boards and commissions. However, this disclosure should be handled in a manner that is appropriate to the specific board, such as the current statutory requirements applicable to the Board of Land and Natural Resources. This bill fails to meet that standard.

For the foregoing reasons, I am returning House Bill No. 910 without my approval.

Respectfully,

/s/ Linda Lingle  
LINDA LINGLE  
Governor of Hawaii"

Gov. Msg. No. 811, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1248 as Act 47, entitled: "RELATING TO NAME CHANGES."

Gov. Msg. No. 812, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1103 as Act 48, entitled: "RELATING TO ASIAN LUNAR NEW YEAR COMMEMORATION."

Gov. Msg. No. 813, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1328 as Act 49, entitled: "RELATING TO SENTENCING OF REPEAT OFFENDERS."

Gov. Msg. No. 814, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1336 as Act 50, entitled: "RELATING TO SANCTIONS FOR VIOLATIONS BY MORTGAGE BROKERS AND SOLICITORS COMMITTED AGAINST ELDERS."

Gov. Msg. No. 815, informing the Senate that on May 1, 2007, she signed into law Senate Bill No. 1457 as Act 51, entitled: "MAKING AN EMERGENCY APPROPRIATION

FOR THE DEVELOPMENTAL DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH."

Gov. Msg. No. 816, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1750 as Act 52, entitled: "RELATING TO PUBLIC EMPLOYMENT."

Gov. Msg. No. 817, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1018 as Act 53, entitled: "RELATING TO LIQUOR."

Gov. Msg. No. 818, informing the Senate that on May 1, 2007, she signed into law House Bill No. 389 as Act 54, entitled: "RELATING TO ELECTIONS."

Gov. Msg. No. 819, informing the Senate that on May 1, 2007, she signed into law House Bill No. 1513 as Act 55, entitled: "RELATING TO ELECTION OFFENSES."

### HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 855 to 877) were read by the Clerk and were placed on file:

Hse. Com. No. 855, informing the Senate that H.B. No. 500, H.D. 1, S.D. 1, C.D. 1, passed Final Reading in the House of Representatives on May 1, 2007.

Hse. Com. No. 856, informing the Senate that the following bills passed Final Reading in the House of Representatives on May 1, 2007:

H.B. No. 13, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 14, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 15, H.D. 2, S.D. 2, C.D. 1;  
H.B. No. 30, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 34, S.D. 2, C.D. 1;  
H.B. No. 71, H.D. 2, S.D. 2, C.D. 1;  
H.B. No. 116, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 122, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 155, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 162, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 250, H.D. 2, S.D. 2, C.D. 1;  
H.B. No. 275, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 334, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 349, S.D. 1, C.D. 1;  
H.B. No. 375, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 402, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 436, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 487, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 500, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 506, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 598, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 667, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 692, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 714, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 718, S.D. 2, C.D. 1;  
H.B. No. 791, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 835, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 869, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 895, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 1005, H.D. 2, S.D. 1, C.D. 1;  
H.B. No. 1063, S.D. 1, C.D. 1;  
H.B. No. 1130, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 1200, H.D. 1, S.D. 2, C.D. 1;  
H.B. No. 1212, H.D. 2, S.D. 2, C.D. 1;  
H.B. No. 1231, H.D. 2, S.D. 2, C.D. 1;  
H.B. No. 1246, H.D. 1, S.D. 1, C.D. 1;  
H.B. No. 1264, S.D. 1, C.D. 1;  
H.B. No. 1322, S.D. 1, C.D. 1;

H.B. No. 1337, H.D. 1, S.D. 1, C.D. 1;  
 H.B. No. 1364, H.D. 2, S.D. 1, C.D. 1;  
 H.B. No. 1370, H.D. 1, S.D. 1, C.D. 1;  
 H.B. No. 1372, H.D. 1, S.D. 1, C.D. 1;  
 H.B. No. 1503, H.D. 1, S.D. 1, C.D. 1;  
 H.B. No. 1518, H.D. 1, S.D. 2, C.D. 1;  
 H.B. No. 1605, H.D. 1, S.D. 1, C.D. 1;  
 H.B. No. 1608, S.D. 3, C.D. 1;  
 H.B. No. 1612, S.D. 1, C.D. 1;  
 H.B. No. 1614, H.D. 2, S.D. 2, C.D. 1;  
 H.B. No. 1628, H.D. 1, S.D. 1, C.D. 1;  
 H.B. No. 1630, H.D. 2, S.D. 2, C.D. 1;  
 H.B. No. 1646, H.D. 2, S.D. 1, C.D. 1;  
 H.B. No. 1830, H.D. 2, S.D. 2, C.D. 1;  
 H.B. No. 1899, H.D. 2, S.D. 2, C.D. 1;  
 S.B. No. 12, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 17, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 46, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 56, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 58, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 138, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 139, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 149, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 162, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 188, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 228, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 618, H.D. 1, C.D. 1;  
 S.B. No. 667, S.D. 3, H.D. 2, C.D. 1;  
 S.B. No. 678, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 755, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 795, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 837, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 866, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 870, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 880, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 896, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 987, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 990, S.D. 2, H.D. 3, C.D. 1;  
 S.B. No. 992, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 1004, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1008, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 1017, H.D. 1, C.D. 1;  
 S.B. No. 1026, S.D. 2, H.D. 3, C.D. 1;  
 S.B. No. 1060, S.D. 1, H.D. 2, C.D. 1;  
 S.B. No. 1066, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1154, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1161, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1182, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 1191, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1222, S.D. 3, H.D. 2, C.D. 1;  
 S.B. No. 1228, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1284, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1315, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 1372, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1382, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1388, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1400, S.D. 2, H.D. 3, C.D. 1;  
 S.B. No. 1402, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1425, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 1515, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1603, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1665, H.D. 1, C.D. 1;  
 S.B. No. 1672, S.D. 2, H.D. 3, C.D. 1;  
 S.B. No. 1675, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1676, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 1750, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1779, H.D. 3, C.D. 1;  
 S.B. No. 1833, S.D. 1, H.D. 1, C.D. 1;  
 S.B. No. 1853, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1882, S.D. 2, H.D. 1, C.D. 1;  
 S.B. No. 1916, S.D. 2, H.D. 3, C.D. 1;

S.B. No. 1924, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1929, S.D. 2, H.D. 2, C.D. 1;  
 S.B. No. 1943, S.D. 2, H.D. 2, C.D. 1; and  
 S.B. No. 1946, S.D. 2, H.D. 2, C.D. 1.

Hse. Com. No. 857, informing the Senate that the House has reconsidered H.B. No. 10, S.D. 1, heretofore vetoed as set forth in a Governor's Message dated April 27, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 858, informing the Senate that the House has reconsidered H.B. No. 853, H.D. 2, heretofore vetoed as set forth in a Governor's Message dated April 13, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 859, informing the Senate that the House has reconsidered H.B. No. 854, H.D. 1, S.D. 1, heretofore vetoed as set forth in a Governor's Message dated May 1, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 860, informing the Senate that the House has reconsidered H.B. No. 861, H.D. 1, S.D. 1, heretofore vetoed as set forth in a Governor's Message dated May 1, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 861, informing the Senate that the House has reconsidered H.B. No. 863, H.D. 1, heretofore vetoed as set forth in a Governor's Message dated April 24, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 862, informing the Senate that the House has reconsidered H.B. No. 1672, heretofore vetoed as set forth in a Governor's Message dated April 16, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 863, informing the Senate that the House has reconsidered S.B. No. 14, S.D. 1, H.D. 1, heretofore vetoed as set forth in a Governor's Message dated April 18, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 864, informing the Senate that the House has reconsidered S.B. No. 1063, S.D. 1, H.D. 1, heretofore vetoed as set forth in a Governor's Message dated April 25, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 865, informing the Senate that the House has reconsidered S.B. No. 1642, S.D. 1, H.D. 1, heretofore vetoed as set forth in a Governor's Message dated April 24, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 866, informing the Senate that the House has reconsidered S.B. No. 1816, S.D. 1, H.D. 1, heretofore vetoed as set forth in a Governor's Message dated April 26, 2007, and

approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii is entitled.

Hse. Com. No. 867, informing the Senate that the House reconsidered its actions taken on April 12, 2007, in disagreeing to the amendments proposed by the Senate to the following House bills:

H.B. No. 211, H.D. 1 (S.D. 1);  
 H.B. No. 249, H.D. 1 (S.D. 2);  
 H.B. No. 260 (S.D. 2);  
 H.B. No. 277, H.D. 1 (S.D. 2);  
 H.B. No. 497, H.D. 2 (S.D. 2);  
 H.B. No. 507, H.D. 2 (S.D. 1);  
 H.B. No. 1155, H.D. 1 (S.D. 1);  
 H.B. No. 1256, H.D. 1 (S.D. 1);  
 H.B. No. 1291, H.D. 1 (S.D. 2);  
 H.B. No. 1399 (S.D. 1);  
 H.B. No. 1493, H.D. 2 (S.D. 1);  
 H.B. No. 1570 (S.D. 1); and  
 H.B. No. 1721, H.D. 1 (S.D. 2).

Hse. Com. No. 868, informing the Senate that the House reconsidered its action taken on April 5, 2007, in disagreeing to the amendments proposed by the Senate to H.B. No. 870, H.D. 1 (S.D. 1).

Hse. Com. No. 869, informing the Senate that the House reconsidered its action taken on March 27, 2007, in disagreeing to the amendments proposed by the Senate to H.B. No. 1253, H.D. 1 (S.D. 1).

Hse. Com. No. 870, informing the Senate that the House reconsidered its action taken on April 5, 2007, in disagreeing to the amendments proposed by the Senate to H.B. No. 1334, H.D. 1 (S.D. 1).

Hse. Com. No. 871, informing the Senate that the House reconsidered its action taken on April 10, 2007, in disagreeing to the amendments proposed by the Senate to H.B. No. 1338, H.D. 2 (S.D. 1).

Hse. Com. No. 872, informing the Senate that the House reconsidered its action taken on April 5, 2007, in disagreeing to the amendments proposed by the Senate to H.B. No. 1902 (S.D. 1).

Hse. Com. No. 873, informing the Senate that the House reconsidered its action taken on April 10, 2007, in disagreeing to the amendments proposed by the Senate to H.B. No. 1931 (S.D. 1).

Hse. Com. No. 874, informing the Senate that the House on May 1, 2007, agreed to the amendments proposed by the Senate and passed the following House bills on Final Reading:

H.B. No. 18, H.D. 1, S.D. 2;  
 H.B. No. 25, H.D. 1, S.D. 1;  
 H.B. No. 272, H.D. 1, S.D. 1;  
 H.B. No. 513, S.D. 1;  
 H.B. No. 1044, H.D. 1, S.D. 2;  
 H.B. No. 1207, S.D. 1;  
 H.B. No. 1227, H.D. 1, S.D. 1;  
 H.B. No. 1323, S.D. 1;  
 H.B. No. 1361, H.D. 1, S.D. 1;  
 H.B. No. 1411, H.D. 2, S.D. 1; and  
 H.B. No. 1500, H.D. 2, S.D. 2.

Hse. Com. No. 875, informing the Senate that S.C.R. No. 209, H.D. 1, C.D. 1, was adopted in Final Form by the House of Representatives on May 1, 2007.

Hse. Com. No. 876, informing the Senate that on May 1, 2007, the House discharged all House conferees to H.B. No. 1493, H.D. 2, S.D. 1.

Hse. Com. No. 877, returning S.C.R. No. 226, which was adopted by the House of Representatives on May 1, 2007.

#### CONFERENCE COMMITTEE REPORT AND FINAL ADOPTION

Senator Chun Oakland, for the majority of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.C.R. No. 48, S.D. 1, presented a report (Conf. Com. Rep. No. 205) recommending that S.C.R. No. 48, S.D. 1, H.D. 2, as amended in C.D. 1, be Finally Adopted.

On motion by Senator Ige, seconded by Senator Whalen and carried, Conf. Com. Rep. No. 205 was adopted and S.C.R. No. 48, S.D. 1, H.D. 2, C.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ATTORNEY GENERAL TO PROVIDE AN ANALYSIS OF THE NATURE AND SCOPE OF OPERATIONS AND SERVICES THE HAWAII DISABILITY RIGHTS CENTER IS REQUIRED TO PROVIDE, AND THE PRACTICES AND PROCEDURES IT IS AUTHORIZED TO EMPLOY, PURSUANT TO STATE AND FEDERAL LAW, RULES, REGULATIONS, AND EXECUTIVE ORDERS," was Finally Adopted.

#### ORDER OF THE DAY

##### FINAL ADOPTION

Conf. Com. Rep. No. 204 (S.C.R. No. 209, H.D. 1, C.D. 1):

On motion by Senator Ige, seconded by Senator Whalen and carried, Conf. Com. Rep. No. 204 was adopted and S.C.R. No. 209, H.D. 1, C.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO STUDY THE SOCIAL AND FINANCIAL IMPACT OF MANDATORY HEALTH INSURANCE COVERAGE FOR THE USE OF MEDICAL VIGILANCE SERVICES IN ACUTE CARE HOSPITALS," was Finally Adopted.

At 10:27 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:30 o'clock a.m.

#### ADOPTION OF RESOLUTIONS

##### MATTERS DEFERRED FROM TUESDAY, MAY 1, 2007

Stand. Com. Rep. No. 1961 (H.C.R. No. 54):

On motion by Senator Ige, seconded by Senator Whalen and carried, the joint report of the Committees was adopted and H.C.R. No. 54, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH AN INTERIM TASK FORCE TO REVIEW THE STATE MAXIMUM ALLOWABLE COST PROGRAM'S REIMBURSEMENT POLICY AND ITS IMPACT ON SMALL, INDEPENDENT, COMMUNITY PHARMACIES," was adopted.

Stand. Com. Rep. No. 1962 (H.C.R. No. 140, H.D. 1):

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.C.R. No. 140, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO COLLECT DATA AND REPORT STATISTICS RELATED TO CASES OF ABUSE OF VULNERABLE ADULTS," was adopted.

Stand. Com. Rep. No. 1963 (H.C.R. No. 344, H.D. 1):

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.C.R. No. 344, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF HUMAN SERVICES TO SUPPORT PROJECT CUDDLE AND ASSESS THE FEASIBILITY OF ADVERTISING ITS HOTLINE," was adopted.

Stand. Com. Rep. No. 1964 (H.C.R. No. 141):

On motion by Senator Ige, seconded by Senator Whalen and carried, the joint report of the Committees was adopted and H.C.R. No. 141, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO SUPPORT LEGISLATION AUTHORIZING THE SECRETARY OF HEALTH AND HUMAN SERVICES TO NEGOTIATE LOWER DRUG PRICES ON BEHALF OF MEDICARE BENEFICIARIES," was adopted.

Stand. Com. Rep. No. 1965 (H.C.R. No. 217):

On motion by Senator Ige, seconded by Senator Whalen and carried, the joint report of the Committees was adopted and H.C.R. No. 217, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE PRESIDENT AND THE UNITED STATES CONGRESS TO ENACT LEGISLATION TO INCREASE, FOR SOCIAL SECURITY BENEFICIARIES, THE LEVELS OF PROVISIONAL INCOME, WHICH INCLUDE SOCIAL SECURITY BENEFITS, BY AN AMOUNT EQUAL TO THE FEDERAL COST OF LIVING ALLOWANCE GRANTED TO FEDERAL EMPLOYEES IN HAWAII," was adopted.

Stand. Com. Rep. No. 1966 (S.R. No. 10, S.D. 1):

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and S.R. No. 10, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE SENATE COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING TO CONVENE A WORKING GROUP TO FURTHER STUDY RECOMMENDATIONS MADE BY THE SCR 52 TASK FORCE COMMITTEES," was adopted.

**FINAL READING**

S.B. No. 323, S.D. 2, H.D. 2:

On motion by Senator Fukunaga, seconded by Senator Baker and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 323, S.D. 2, and S.B. No. 323, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 798, S.D. 3, H.D. 2:

On motion by Senator Inouye, seconded by Senator Baker and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 798, S.D. 3, and S.B. No. 798, S.D. 3, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 121 (S.B. No. 709, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 121 was adopted and S.B. No. 709, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 122 (S.B. No. 810, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Ige, seconded by Senator Baker and carried, Conf. Com. Rep. No. 122 was adopted and S.B. No. 810, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WAIMANO RIDGE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 123 (S.B. No. 1115, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Ige, seconded by Senator Chun Oakland and carried, Conf. Com. Rep. No. 123 was adopted and S.B. No. 1115, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PERINATAL CARE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 124 (S.B. No. 1170, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Baker and carried, Conf. Com. Rep. No. 124 was adopted and S.B. No. 1170, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 125 (S.B. No. 932, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Espero, seconded by Senator Baker and carried, Conf. Com. Rep. No. 125 was adopted and S.B. No. 932, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A COMPREHENSIVE OFFENDER REENTRY SYSTEM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 134 (H.B. No. 104, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Baker and carried, Conf. Com. Rep. No. 134 was adopted and H.B. No. 104, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 135 (H.B. No. 531, H.D. 3, S.D. 2, C.D. 1):

On motion by Senator Ige, seconded by Senator Chun Oakland and carried, Conf. Com. Rep. No. 135 was adopted and H.B. No. 531, H.D. 3, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 137 (H.B. No. 90, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Taniguchi, seconded by Senator Baker and carried, Conf. Com. Rep. No. 137 was adopted and H.B. No. 90, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 142 (H.B. No. 833, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Hee and carried, Conf. Com. Rep. No. 142 was adopted and H.B. No. 833, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 145 (H.B. No. 751, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 145 was adopted and H.B. No. 751, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 149 (H.B. No. 1345, H.D. 2, S.D. 3, C.D. 1):

On motion by Senator Inouye, seconded by Senator Baker and carried, Conf. Com. Rep. No. 149 was adopted and H.B. No. 1345, H.D. 2, S.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR NATURAL DISASTERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 153 (H.B. No. 1171, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 153 was adopted and H.B. No. 1171, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 157 (H.B. No. 55, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Ige and carried, Conf. Com. Rep. No. 157 was adopted and H.B. No. 55, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH SUICIDE PREVENTION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 159 (H.B. No. 843, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Ige, seconded by Senator Baker and carried, Conf. Com. Rep. No. 159 was adopted and H.B. No. 843, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO KAHUKU HOSPITAL," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 160 (H.B. No. 1477, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Ige, seconded by Senator Sakamoto and carried, Conf. Com. Rep. No. 160 was adopted and H.B. No. 1477, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RURAL PRIMARY HEALTH CARE TRAINING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 161 (H.B. No. 367, H.D. 1, S.D. 3, C.D. 1):

On motion by Senator Ige, seconded by Senator Sakamoto and carried, Conf. Com. Rep. No. 161 was adopted and H.B. No. 367, H.D. 1, S.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 162 (H.B. No. 1368, S.D. 1, C.D. 1):

On motion by Senator Ige, seconded by Senator Baker and carried, Conf. Com. Rep. No. 162 was adopted and H.B. No. 1368, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL AND MEDICAL FACILITIES SPECIAL FUND," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 164 (H.B. No. 400, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Kokubun, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 164 was adopted and H.B. No. 400, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 165 (H.B. No. 399, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Kokubun, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 165 was adopted and H.B. No. 399, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 166 (H.B. No. 1435, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 166 was adopted and H.B. No. 1435, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE OF HAWAII ENDOWMENT FUND," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 167 (H.B. No. 575, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Nishihara, seconded by Senator Inouye and carried, Conf. Com. Rep. No. 167 was adopted and H.B. No. 575, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 168 (H.B. No. 1866, H.D. 3, S.D. 2, C.D. 1):

On motion by Senator Taniguchi, seconded by Senator Baker and carried, Conf. Com. Rep. No. 168 was adopted and H.B. No. 1866, H.D. 3, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MIXED MARTIAL ARTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 169 (H.B. No. 1719, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Nishihara and carried, Conf. Com. Rep. No. 169 was adopted and H.B. No. 1719, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 172 (S.B. No. 686, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 172 was adopted and S.B. No. 686, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATIONAL ASSISTANTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 173 (S.B. No. 688, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 173 was adopted and S.B. No. 688, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 174 (S.B. No. 1614, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 174 was adopted and S.B. No. 1614, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 178 (S.B. No. 600, H.D. 2, C.D. 1):

Senator Fukunaga moved that Conf. Com. Rep. No. 178 be adopted and S.B. No. 600, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Fukunaga rose and said:

"Madam President, I would like to insert comments into the Journal for S.B. No. 600, Conf. Com. Rep. No. 178. Thank you."

The Chair having so ordered, Senator Fukunaga's remarks read as follows:

"Madam President, I rise to speak in support of S.B. 600, S.D. 2, C.D. 1, Relating to Leasehold Conversion.

"The purpose of the measure is to encourage lessors of residential real properties to sell their fee simple interest by providing an incentive in the form of an income tax exemption for one hundred percent of the gain realized from the sale.

"By providing a capital gains tax exclusion, we believe fee owners – especially those made up of families and family trusts that may have developed a single condominium project on their property or cluster of properties – will be incentivized to sell their lease-fee interests since they would not have to defer taxes into another property. Many elderly fee owners do not want to continue real estate investing.

"This year's version of the leasehold conversion tax credit is timely in that a looming reversion issue will be upon us shortly,



when multi-family leases start to expire in 2007. It is predictable that lessees will turn to state government for relief from surrendering their homes (a last vestige of Hawaii's residential leasehold system). It would be difficult for state government to find an appropriate solution given the limited range of alternatives: allow multi-family lessees the same rights as single-family lessees (Chapter 516, HRS – mandatory conversion), or take away the fee owner's right to reversion of the property. Both are unwieldy, difficult to implement concepts.

"Hundreds of existing leasehold condominium projects throughout the state whose underlying leases will be expiring soon (and those whose lessees are willing to pursue this innovative remedy) will now be able to present an alternative, win-win solution to their fee owners: lessees would be able to obtain fee simple home ownership and fee owners can profit through reinvesting the proceeds of their property sales. For all of the above reasons, I urge members to vote favorably on S.B. 600, H.D. 2, C.D. 1."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 178 was adopted and S.B. No. 600, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 180 (S.B. No. 1922, S.D. 2, H.D. 1, C.D. 1):

Senator Fukunaga moved that Conf. Com. Rep. No. 180 be adopted and S.B. No. 1922, S.D. 2, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Sakamoto.

Senator Fukunaga rose and said:

"Madam President, I would like to insert comments into the Journal for S.B. No. 1922, Conf. Com. Rep. No. 180. Thank you."

The Chair having so ordered, Senator Fukunaga's remarks read as follows:

"Madam President, I rise to speak in favor of S.B. No. 1922, S.D. 2, H.D. 1, C.D. 1, Relating to Creative Media.

"The purpose of this bill is to provide financial incentives and appropriate funds to grow Hawaii's creative media industry. It would:

- Demonstrate the legislature's commitment to the University of Hawaii's Academy for Creative Media (ACM) by appropriating funds to equip a facility for ACM through an innovative partnership with PBS Hawaii on the UH-Manoa campus.
- Establish a pilot music and enterprise learning experience (MELE) program at Honolulu Community College to develop the artistic creativity, entertainment business expertise, and technical production skills required by Hawaii's music artists and music industry. The program will collaborate with Belmont University of Nashville, Tennessee, on the joint use of Belmont's curriculum, technical facilities and equipment specifications, training, dual credit course offerings, and will also offer internships in some of the most varied music environments in the world.

"The Academy for Creative Media is the fastest growing new program at the University of Hawaii. Spring 2007 enrollment includes 176 students (with 60 majors) who fill 275 seats in 20 of the 32 new courses in film production, screenwriting, indigenous filmmaking, computer animation, critical studies, and video game design. In three short years, more than 350 original short films and video games have been written, directed, and produced by students that reflect their unique diversity and backgrounds. Over 48 student films were screened at film festivals from Atlanta to Shanghai, including well-attended screenings at the Hawaii International Film Festival between 2004-2006.

"ACM's founder, Hawaii-born Chris Lee has been responsible for raising and funding all of ACM's operating expenses outside of faculty salaries and basic office overhead – hardware, software, computers, cameras, sound equipment, editing equipment, etc. Over \$1,481,000 in private, foundation, federal and other innovation grants have been raised to support ACM programs since 2004.

"Why should Hawaii commit to building a creative media industry? Not only do creative media jobs offer higher-paying wages and more exciting career opportunities than our state's traditional service industry jobs. Today, it's because a rare combination of circumstances has arisen, allowing Hawaii to be competitive with wealthier, more well-established regions: modern technology (e.g., availability and access to high-speed broadband), Hawaii residents' innate story-telling skills, our island state's wholesome lifestyle, and the fact that the Asia-Pacific region is not only an emerging world-class producer of digital media entertainment products, but also potentially one of its largest consumers.

"If Hawaii fails to capitalize on its creative media assets today, other states, and other regions – like New Zealand, Singapore, Korea, China and Canada – will soon overtake us in establishing themselves as the new center for global creative media collaboration.

"As has been so eloquently stated by Chris Lee:

*"Now that the Academy for Creative Media is established, and programs like Searider Productions have demonstrated the transformational power of multi-media literacy to engage our most at risk students, the DOE and UH really need to embrace and support educational opportunities in this area.*

*Hawaii needs to become the crossroads of the Pacific for Digital Education and the New Entertainment Industry. Let Hollywood be Hollywood, but let Hawaii's natural constituency with the countries of the pacific rim and the rising tide of global popular culture in all its forms of video games, animation, and indigenous film be our advantage." (December 2006)"*

The motion was put by the Chair and carried, Conf. Com. Rep. No. 180 was adopted and S.B. No. 1922, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CREATIVE MEDIA," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 181 (H.B. No. 317, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 181 was adopted and H.B. No. 317, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR

AN ACT RELATING TO PROFESSIONAL EMPLOYMENT ORGANIZATIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 184 (H.B. No. 1083, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 184 was adopted and H.B. No. 1083, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 187 (H.B. No. 767, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 187 was adopted and H.B. No. 767, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RUNNING START PROGRAM FOR COLLEGE PREPARATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 188 (H.B. No. 777, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 188 was adopted and H.B. No. 777, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 190 (H.B. No. 1764, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Ige, seconded by Senator Baker and carried, Conf. Com. Rep. No. 190 was adopted and H.B. No. 1764, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS TO ASSIST HAWAII HEALTH SYSTEMS CORPORATION OR ANY OF ITS REGIONAL SUBSIDIARY CORPORATIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 191 (S.B. No. 914, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Espero, seconded by Senator Baker and carried, Conf. Com. Rep. No. 191 was adopted and S.B. No. 914, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH ISSUES OF COMMITTED PERSONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 192 (S.B. No. 1174, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Espero, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 192 was adopted and S.B. No. 1174, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INCARCERATED PARENTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 193 (S.B. No. 613, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 193 was adopted and S.B. No. 613, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 194 (S.B. No. 885, S.D. 2, H.D. 3, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 194 was adopted and S.B. No. 885, S.D. 2, H.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 195 (S.B. No. 603, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 195 was adopted and S.B. No. 603, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 198 (S.B. No. 907, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 198 was adopted and S.B. No. 907, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AEROSPACE DEVELOPMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 199 (H.B. No. 1631, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Baker and carried, Conf. Com. Rep. No. 199 was adopted and H.B. No. 1631, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 202 (H.B. No. 1529, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 202 was adopted and H.B. No. 1529, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE SCHOLARSHIP PROGRAMS AT THE UNIVERSITY OF HAWAII," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

#### FINAL READING

Conf. Com. Rep. No. 136 (H.B. No. 226, H.D. 2, S.D. 2, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 136 be adopted and H.B. No. 226, H.D. 2, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Baker.

Senator Slom rose in opposition to the measure and said:

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

"I've given this a great deal of thought, and while there are many parts of the bill I can support, basically I see this as a backdoor approach to approving the Kyoto Protocols in that when the emissions controls go into effect, they are retroactive to 1990.

"I also see, while there is requirement for legislative approval, there is an absence of broad legislative oversight. Thank you."

Senator Baker rose in support of the measure and said:

"Madam President, I rise in strong support of this important piece of environmental legislation.

"Global warming has been a concern in the scientific community for some time, but only recently after the worldwide airing of Al Gore's documentary, *An Inconvenient Truth*, has the issue come into the popular conscience. We know for our island state Hawai'i will be negatively impacted by severe hurricanes, rising sea levels and ocean acidification if humanity's contribution to global warming is not systemically slowed, stopped, and then reduced. Through H.B. No. 226, C.D. 1, Hawai'i does its part by declaring that greenhouse gas emissions shall be reduced to 1990 levels by 2020 and by creating milestones to reach that goal. The bill also creates a greenhouse gas emissions reduction task force to prepare a work plan with specified objectives and regulatory scheme to meet the state's declared policy.

"By December 2011, Hawai'i will establish emission limits applicable to sources of emissions and reporting of statewide emissions monitoring and compliance. Setting this environmental policy is consistent with other bills that contribute to greenhouse reductions now by promoting multi-level transportation through safer walking, which we passed in S.B. No. 1191; more bicycling facilities we passed in H.B. No. 497; better bottle recycling we passed in S.B. No. 1026; and previous laws on alternative energy production, energy conservation in state facilities, and support for mass transit.

"I applaud the work of the conference managers, especially the House and Senate Chairs for leadership in taking a very unwieldy measure and crafting it into a workable, doable, yet significant measure that we can all support. I urge my colleagues to join me in voting 'aye.'

"Mahalo."

Senator Whalen rose to speak in opposition to the measure and said:

"Madam President, I rise in opposition.

"I just hope we can get the volcano to cooperate with us."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 136 was adopted and H.B. No. 226, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Slom, Trimble, Whalen).

Conf. Com. Rep. No. 138 (H.B. No. 899, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 138 was adopted and H.B. No. 899, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INTEGRATED STRATEGIES FOR STATEWIDE FOOD AND ENERGY CROP PRODUCTION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 139 (H.B. No. 1221, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Kokubun, seconded by Senator Baker and carried, Conf. Com. Rep. No. 139 was adopted and H.B. No. 1221, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Gabbard).

Conf. Com. Rep. No. 140 (H.B. No. 1211, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 140 was adopted and H.B. No. 1211, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

Conf. Com. Rep. No. 141 (H.B. No. 855, H.D. 1, S.D. 1, C.D. 1):

Senator Hee moved that Conf. Com. Rep. No. 141 be adopted and H.B. No. 855, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kokubun.

Senator Sakamoto rose in opposition and said:

"Madam President, I rise to speak against this measure.

"Certainly, all of us want injured workers to get proper treatment, proper medical care and I hope all of us hope that they get back to work as soon as possible. Before I came into this Body, this issue, workers' comp, and how do we balance employers, employees and providers was an important issue. If in our minds we picture a good worker who's injured and a good employer who wants that worker back to work, a lot of this, however we pass the laws many times doesn't matter in terms of getting the person back to work. It does matter on how the system deals with the injured worker, with the employer, and many times the employer has to have an insurer.

"In the case of this bill, when an injured worker is ready to come back to work under the current situation, the employer's insurer and the medical provider work with the treatment plan, and at some point the employee is deemed back to work. If we picture a good employee, that's not the issue.

"Unfortunately, some employees want to malingering and some providers want the injured worker to continue to get treatments. In years past, the chiropractors – not all of them, some of them – had used the system to continue to get more treatments – hot press, cold press, stretches, on and on and on – and that was abusing the system, and that's why the reforms of 1995 had lowered our auto insurance rates as well as the workers' comp rates, because their treatments were capped.

"This bill would allow the provider to continue to be the determinant – or would be the determinant – of how long these treatments go on. That would add costs, perhaps unnecessary treatment, and perhaps excessive treatment. That's one problem with this measure.

"The other problem is many times when we go to our doctors, ladies and gentlemen, many times the doctor says, 'You're sick, Senator? Do you want to go back to work tomorrow?' And you tell him, 'No, I'm not ready to go back to work tomorrow.' So many times the injured worker would be telling their medical provider, 'Oh, I'm not quite ready to back to work.' So, sometimes the abuse by the employee will cause the continuation of the benefits whether the employee really medically can go back to work. These procedures when challenged have to go through the hearing process and certainly we don't want more bureaucracy, more hearings, longer hearings, more delays.

"Bottom line, I believe this bill doesn't help to reduce the time to get employees back to work. It doesn't reduce the contentiousness, litigation in the hearing process. And for those measures, and there're others, I wish my colleagues to vote against this measure.

"Thank you."

Senators Menor, Kim and Nishihara requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 141 was adopted and H.B. No. 855, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 19. Ayes with Reservations, 3 (Kim, Menor, Nishihara). Noes, 6 (Hemmings, Ige, Sakamoto, Slom, Trimble, Whalen).

Conf. Com. Rep. No. 144 (H.B. No. 1567, S.D. 1, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 144 was adopted and H.B. No. 1567, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 146 (H.B. No. 1572, S.D. 1, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 146 was adopted and H.B. No. 1572, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 147 (H.B. No. 1569, S.D. 1, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 147 was adopted and H.B. No. 1569, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 148 (H.B. No. 1568, S.D. 1, C.D. 1):

On motion by Senator Hee, seconded by Senator Baker and carried, Conf. Com. Rep. No. 148 was adopted and H.B. No. 1568, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 150 (H.B. No. 831, H.D. 2, S.D. 1, C.D. 1):

Senator Inouye moved that Conf. Com. Rep. No. 150 be adopted and H.B. No. 831, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Tsutsui.

Senator Gabbard rose and said:

"Madam President, I'd like to have my remarks on H.B. No. 831, H.D. 2, S.D. 1, C.D. 1, entered into the Journal. Thank you."

The Chair having so ordered, Senator Gabbard's remarks read as follows:

"Madam President, I rise in strong support of H.B. No. 831.

"This bill is important because it will provide Filipino World War II veterans with the burial benefits they deserve. Thousands of Filipino veterans suffered and made the same sacrifices as veterans of this country. The least we can do is to

show our 'aloha' and allow these heroes to be buried in a dignified and honorable manner.

"Mahalo."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 150 was adopted and H.B. No. 831, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VETERAN BURIAL GRANTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 151 (H.B. No. 24, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Tsutsui and carried, Conf. Com. Rep. No. 151 was adopted and H.B. No. 24, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Hemmings).

Conf. Com. Rep. No. 154 (H.B. No. 19, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 154 was adopted and H.B. No. 19, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Slom, Trimble).

Conf. Com. Rep. No. 155 (H.B. No. 1003, H.D. 3, S.D. 2, C.D. 1):

On motion by Senator Menor, seconded by Senator Sakamoto and carried, Conf. Com. Rep. No. 155 was adopted and H.B. No. 1003, H.D. 3, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Trimble).

At 10:44 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:46 o'clock a.m.

The President made the following observation:

"Members, the House recommitted H.B. No. 1359, C.D. 1. At this time, the Chair will entertain a motion to recommit said bill."

Conf. Com. Rep. No. 156 (H.B. No. 1359, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Ige, seconded by Senator Whalen and carried, Conf. Com. Rep. No. 156 and H.B. No. 1359, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PHARMACY ASSISTANCE PROGRAM," were recommitted to the Committee on Conference.

Conf. Com. Rep. No. 158 (H.B. No. 807, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Baker and carried, Conf. Com. Rep. No. 158 was adopted and H.B. No. 807, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 163 (H.B. No. 1220, H.D. 1, S.D. 2, C.D. 1):

Senator Kokubun moved that Conf. Com. Rep. No. 163 be adopted and H.B. No. 1220, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and said:

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

"I support the intent of the bill, but it creates another special fund so I'm voting 'no.' Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 163 was adopted and H.B. No. 1220, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL MARKETING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Conf. Com. Rep. No. 170 (H.B. No. 1352, H.D. 1, S.D. 2, C.D. 1):

Senator Nishihara moved that Conf. Com. Rep. No. 170 be adopted and H.B. No. 1352, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Tsutsui.

Senator Slom rose with reservations and said:

"Madam President, I will support this bill with reservations.

"My reservations are that I don't think anyone has a real intention to meaningfully celebrate the 50<sup>th</sup> anniversary of statehood."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 170 was adopted and H.B. No. 1352, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT ESTABLISHING A COMMISSION TO PLAN FOR THE FIFTIETH ANNIVERSARY OF HAWAII STATEHOOD," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Ayes with Reservations, 1 (Slom). Noes, none.

Conf. Com. Rep. No. 171 (S.B. No. 1718, H.D. 2, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 171 be adopted and S.B. No. 1718, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Tsutsui.

Senator Ihara rose and said:

"Madam President, please note my reservations on this bill."

The Chair so ordered.

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

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

“I have real concerns about this bill, more than just reservations. I’m concerned, first of all, about whether or not the purpose of this project meets the legal requirements for the issuance of special purpose revenue bonds.

“Secondly, I’m concerned about the enormity of the project itself and whether or not it is realistic, and whether in the future, people will come back to the state to ask for financial support.

“And thirdly, I’m concerned about some of the people that supposedly are involved with this project but are not listed or not named publicly, and so we really are not sure who all of the principals are.

“Thank you.”

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

The motion was put by the Chair and carried, Conf. Com. Rep. No. 171 was adopted and S.B. No. 1718, H.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ELECTRICAL GENERATION ON THE ISLAND OF MAUI,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Ayes with Reservations, 2 (Ihara, Trimble). Noes, 1 (Slom).

Conf. Com. Rep. No. 175 (S.B. No. 1820, S.D. 1, H.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 175 be adopted and S.B. No. 1820, S.D. 1, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Baker.

Senator Baker rose in support and said:

“Madam President, I have some remarks in support of this measure I’d like to have inserted into the Journal. Thank you.”

The Chair having so ordered, Senator Baker’s remarks read as follows:

“Madam President, I rise in support of this bill.

“Madam President, colleagues, with the growing number of students in our public schools in some areas of the State, it is imperative we have as many tools and as much flexibility as possible to meet the demands for new facilities and improvements to existing facilities. This bill allows the Department of Education to enter into financing agreements with private entities. This should make it easier for the department to explore alternative ways to finance capital improvements in our public school system.

“This bill is particularly important to the community of Kihei on Maui, where there is a great demand for a new high school, evident by overcrowding in existing schools and difficult commutes for the students from Kihei. However, there are similar instances in other growing communities throughout the state, which shows the importance and necessity of this bill.

“The education of the children of Hawaii is a shared responsibility, and we can do our part by supporting the passage of this measure. Thank you.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 175 was adopted and S.B. No. 1820, S.D. 1, H.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Slom, Trimble).

Conf. Com. Rep. No. 177 (S.B. No. 1133, S.D. 3, H.D. 1, C.D. 1):

Senator Fukunaga moved that Conf. Com. Rep. No. 177 be adopted and S.B. No. 1133, S.D. 3, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Baker.

Senator Slom rose in opposition to the measure and stated:

“Madam President, I wish to register my strong ‘no’ vote on this bill.

“This is one of the worst examples of legislation. We let the people believe that when we raised the rental car tax surcharge from \$2 a day to \$3 a day, it was going to sunset in three years. That sunset date is August 31<sup>st</sup> of this year, and now we’re removing the sunset date and we’re allowing this tax increase to stand.

“The argument is that it’s for the highway fund and yet we have raided the highway fund, as I’ve mentioned time and time and time again. So, even if the money were to go to the highway fund, there’s no guarantee or not any serious belief that the money will actually be used for highway purposes.

“And finally, a lot of people say, ‘Well it’s okay, it’s for rental cars for the tourists.’ And as I’ve pointed out before, at least 35 percent of rental vehicles are by local residents. So, it’s an additional tax and we’ve broken faith yet again with the people.

“Thank you.”

Senator Baker rose to speak in support of the measure as follows:

“Madam President, I rise in strong support of S.B. No. 1133, C.D. 1.

“This measure simply extends for an additional year until August 31, 2008, the sunset of the \$3 a day surcharge levied on rental cars in our state. This is not a new scheme either in Hawai’i or anyplace else, as many other states levy a similar fee on car rental users to assist in road improvements or, in some places, even airport projects.

“The State Highway Fund receives \$14 million a year from this surcharge. The cost of road repair and maintenance projects has become more expensive. Over the past several years we’ve seen the damage that floodwaters, torrential rains, and earthquakes have caused to our transportation infrastructure – rock falls on the Pali, shoreline erosion undermining some of our scenic roadways, bridge repair, just to name a few. Those emergency repairs were not factored into the highway spending plan to the extent needed.

"In addition, there are continuing requirements to upgrade our highways and add new lanes or create new routes. Due to these demands, the unencumbered balance in our highway fund has begun to decline. The continued infusion of funds will help the fund remain stable while a long-range plan is developed and the financing plan updated. That task will fall to a joint legislative task force that will work during the interim to conduct a review of the State Highway Fund, its expenditures, and other potential sources of revenue. The Legislature will continue the task force report next Session in deciding the future of the rental car surcharge.

"For now, I urge my colleagues to vote favorably on this measure. Mahalo."

Senator Hemmings rose in opposition and stated:

"Madam President, I rise to speak against this legislation.

"I think it's important that the record reflect for the intent of having the public be knowledgeable of why this fund is running a deficit and not able to pay for the emergency repairs the previous speaker spoke of. It's not due to unintended expenditures such as the emergencies. Clearly, it's due, as the good Senator from Hawai'i Kai pointed out, that this Legislature and the very people that are increasing the taxes now to replenish this fund, systematically raided the highway fund to put money in the general fund for purposes other than for fixing highways. Most of it was put in for collective bargaining pay raises, I would suggest, because we know who's first in line when it comes to getting the benefits – the taxpayers' legacy to state government.

"So, to tell us that we have to increase this tax because we have to pay for emergencies is just false. The fund is depleted because it was raided and I believe the figure was something like \$183 million in the last several years. So, the truth of the matter is that this tax is being increased because of the Legislature's fiscal irresponsibility in the past.

"Thank you, Madam President."

Senator Hooser rose in support of the measure and said:

"Madam President, I rise in support of this measure. I'll keep my remarks very brief.

"This is not a tax increase. It merely extends the sunset date. A close and honest look of past practices will show that the funds that are transferred from various funds are done so only when the state is in dire need – when budget times are very, very tight – in order to meet the basic needs of our state.

"For that reason, and others, I support this measure. Thank you."

Senator Menor requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 177 was adopted and S.B. No. 1133, S.D. 3, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 18. Ayes with Reservations, 1 (Menor). Noes, 7 (Bunda, Gabbard, Hemmings, Inouye, Slom, Trimble, Whalen).

Conf. Com. Rep. No. 179 (S.B. No. 1034, S.D. 2, H.D. 1, C.D. 1):

The President made the following observation:

"Members, the House has recommitted this measure. At this time, the Chair will entertain a motion to recommit said bill."

On motion by Senator Ige, seconded by Senator Whalen and carried, Conf. Com. Rep. No. 179 and S.B. No. 1034, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," were recommitted to the Committee on Conference.

Conf. Com. Rep. No. 183 (H.B. No. 1670, H.D. 2, S.D. 2, C.D. 1):

Senator Fukunaga moved that Conf. Com. Rep. No. 183 be adopted and H.B. No. 1670, H.D. 2, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Sakamoto.

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

"Madam President, I rise in opposition to this bill.

"This is a very strange bill. As DCCA and even the HSTA had testified, it's got a lot of ambiguities and a lot of missing data and missing information. No other state in the union has tried to have a ingenuity charter corporation set up by the Legislature. It is involving private interest and labor union interest, and I would suggest if they want to send up a corporation, they should go down to DCCA and file the papers like the rest of us and start a corporation, not come to the Legislature and have a publicly funded, private corporation.

"I also apologize to the good Senator from Moanalua. I should have gotten together with him because he makes such good graphs and charts. We could have probably had one about six feet long. This is the organizational chart that is presented for this bill, and it's one of the strangest things I've ever seen in all my days of looking at organizational charts and business plans. And it really doesn't make any sense at all except that we would have organized labor unions and groups such as the American Ingenuity Alliance, nationally, and the National Inventors Hall of Fame running this Hawai'i corporation.

"As I said, there's no other corporation like this in the country. There's no other plan like this. To me, it simply is a way of funding a job for the individual who has supported this legislation for the last couple years.

"It is a bad bill, colleagues, and if you really read it and if you read the testimony, there's no way that you can support this bill. I urge you to vote 'no' on this bill. Thank you."

Senator Trimble rose in opposition to the measure and said:

"Madam President, I also rise in opposition to this measure.

"The good Senator from Hawai'i Kai forgot to mention two very salient points. The first one is that it's a for-profit corporation, and the second one is – and the reason why they need to come to us for permission to do this, if I read the bill correctly – it's a for-profit corporation that wouldn't have to pay income tax. Strange. I encourage you to vote 'no.'

"Thank you."

Senator Gabbard requested his vote be cast "aye, with reservations," and the Chair so ordered.

Senator Fukunaga rose in support of the measure and said:

“Madam President, I rise to speak in favor of this measure.

“This measure is really an innovative attempt to bring together inventors as well as beneficiaries who will ultimately be some of the public schools of Hawai‘i, in terms of allocating some of the potential royalties that can be derived from use of the patents which these inventors would like to put at the disposal of this entity.

“I do agree with some of the prior speakers that this is something that has not been done in any other state. However, I think that it certainly deserves further consideration since we have removed many of the sections of the bill which originally had raised alarms from DCCA as well as other departments.

“I’d just like to read briefly from the purpose clause of this measure:

‘The ingenuity company, which will be governed by a board of directors representing both the creators of intellectual property and educational or labor beneficiaries, provides an opportunity to focus the financial rewards of ingenuity on education and workforce development that will in turn lead to additional inventions and innovations. In this way, it will create a continuing incentive for seasoned inventors and for developing new talent in Hawai‘i.

‘The purpose of this Act is to establish an entity, in this case the ingenuity company, to hold patents and other intellectual property that has been acquired by the entity to fund educational initiatives contributing to increased workforce skills out of royalties generated from use of the patents; and to otherwise leverage intellectual property for the benefit of education and workforce development.’

“For these reasons, I urge my colleagues to support this measure. Thank you.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 183 was adopted and H.B. No. 1670, H.D. 2, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE INGENUITY CHARTER,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Ayes with Reservations, 1 (Gabbard). Noes, 3 (Hemmings, Slom, Trimble).

Conf. Com. Rep. No. 185 (H.B. No. 1659, H.D. 2, S.D. 1, C.D. 1):

Senator Nishihara moved that Conf. Com. Rep. No. 185 be adopted and H.B. No. 1659, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Tsutsui.

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

The motion was put by the Chair and carried, Conf. Com. Rep. No. 185 was adopted and H.B. No. 1659, H.D. 2, S.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PROCUREMENT,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Ayes with Reservations, 1 (Ihara). Noes, 5 (Gabbard, Hemmings, Slom, Trimble, Whalen).

Conf. Com. Rep. No. 189 (H.B. No. 1014, H.D. 2, S.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Baker and carried, Conf. Com. Rep. No. 189 was adopted and H.B. No. 1014, H.D. 2, S.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO EDUCATION,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Hemmings).

Conf. Com. Rep. No. 196 (S.B. No. 1917, S.D. 3, H.D. 2, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 196 was adopted and S.B. No. 1917, S.D. 3, H.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO HOUSING,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 200 (H.B. No. 1008, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Chun Oakland, seconded by Senator Ige and carried, Conf. Com. Rep. No. 200 was adopted and H.B. No. 1008, H.D. 2, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO CHILDREN’S HEALTH CARE,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 201 (H.B. No. 212, H.D. 2, S.D. 2, C.D. 1):

Senator Ige moved that Conf. Com. Rep. No. 201 be adopted and H.B. No. 212, H.D. 2, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Baker.

Senator Baker rose in support and said:

“Madam President, I have remarks in support of this measure. May I have them inserted into the Journal? Thank you.”

The Chair having so ordered, Senator Baker’s remarks read as follows:

“Madam President, I rise to speak in favor of this measure.

“H.B. No. 212, H.D. 2, S.D. 2, C.D. 1, is an ambitious effort to head off an impending healthcare crisis. It does so in the following ways:

“First, the measure empowers the citizens of Maui by:

- (1) Creating the Maui Health Initiative Task Force to develop a comprehensive strategic health plan that will determine the current and future health care needs of Maui County, develop an integrated plan for providing health care, and determine an appropriate role for Maui County health care facilities within the statewide system of emergency and trauma care; and
- (2) Requiring the State Planning and Development Agency (‘SHPDA’) to expedite the review of any application for a certificate of need whose health care service area is within Maui County and that demonstrates financial viability and meets the Hawai‘i health performance



plan relating to Maui County. In addition, any required hearings or reviews are mandated be held in Maui County.

“Your conference committee has provided \$100,000 in general funds to support the work of the Task Force which must report to the Legislature 20 days prior to the opening of the 2008 Session.

“Second, the measure establishes a mechanism for developing and maintaining a statewide comprehensive health care workforce map and database. It creates a partnership between the John A. Burns School of Medicine and SHPDA to help find solutions to Hawai‘i’s health care worker shortage.

“H.B. No. 212, C.D. 1, directs the John A. Burns School of Medicine, in cooperation with SHPDA, to:

- (1) Compile and analyze existing data on the supply and distribution of licensed health care practitioners, technicians, and other health care workers in the state by profession, specialty, and practice location;
- (2) Develop projections through 2020 of the workforce supply and demand to identify shortages;
- (3) Develop a plan to address and reduce any identified shortages of health care workers;
- (4) Develop a plan to collect and systematically update the data; and
- (5) Ensure that data collected is accurate and secure and that data specific to any practitioner is disclosed only with the express written consent of the practitioner.

“As noted by Dr. Gary Ostrander in testimony to your Committee on Ways and Means:

The data collected from this program is essential to understanding our workforce needs and to effectively address Hawai‘i’s severe shortage of health care workers, especially on the neighbor islands and in rural areas.

“With the collection and analysis of the data described above, the state will be better able to estimate the impact of different measures and make wise decisions about how to develop a health workforce that meets all of the healthcare needs of Hawai‘i. The money for the data mapping project is in the executive biennium budget bill, H.B. No. 500, C.D. 1.

“Madam President, I urge all of my colleagues to join me in voting in favor of this measure. Thank you.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 201 was adopted and H.B. No. 212, H.D. 2, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO HEALTH CARE,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

Conf. Com. Rep. No. 203 (S.B. No. 1365, S.D. 2, H.D. 3, C.D. 1):

On motion by Senator Fukunaga, seconded by Senator Baker and carried, Conf. Com. Rep. No. 203 was adopted and S.B. No. 1365, S.D. 2, H.D. 3, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE INNOVATION ECONOMY,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Whalen). Excused, 1 (Taniguchi).

H.B. No. 1292, H.D. 1, S.D. 2, C.D. 2:

On motion by Senator Hee, seconded by Senator Baker and carried, H.B. No. 1292, H.D. 1, S.D. 2, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO THE EMPLOYEES’ RETIREMENT SYSTEM,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Menor). Excused, 1 (Taniguchi).

H.B. No. 1757, H.D. 1, S.D. 3, C.D. 2:

Senator English moved that H.B. No. 1757, H.D. 1, S.D. 3, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Hee.

Senator Trimble rose in opposition to the measure as follows:

“Madam President, I rise in opposition to this measure.

“The committee report says it lowers the cost to a trucking firm of having an overweight vehicle when it is cited. Colleagues, if you have done the numbers, I think you will come to the exact opposite conclusion.

“Number one, if you look at the period of time between when the last time when the rates or the fines were increased until today, it has not taken into account inflation.

“The second thing is that even though it doubles the fines, what we’re trying to prevent is overweight vehicles going down the Pali and the risk to other motorists that that type of situation creates. It is important, to avoid situations like this, that fines be progressive, that they increase.

“And the third thing is that when you mandate a change from allowing uncontested fines to the company to merely send in a check, that cost of going to court and waiting is truly more significant to the firm than the dollar amount of the fine.

“So we have not increased the fine, we have not increased the penalty. What we have done is we have made it less onerous for people that have overweight vehicles on the road. It’s bad policy. I suggest you vote ‘no.’

“Thank you.”

Senator English rose in support of the measure and said:

“Madam President, I rise in support of the measure.

“Members, what we’ve done here is we’ve taken out the second and third tier of the fine, and we’ve taken the higher numbers as the fine after the courts came to us and said that it was clogging their system as well. I actually share some of the concerns of the previous speaker in that it does not address the weight issue, and I hope that we can take that up next year. But this deals with the fine part of the statute. And I do agree with what he said that it should be onerous. However, when the courts are overburdened, that’s where we have to come in.

“So, I ask for your support of the measure and I also invite the previous speaker to work with us next year to figure out a way to deal with the weight on the road.

“Thank you.”

Senator Baker rose in support of the measure and said:

“Madam President, I have some remarks in support of this measure on the other features of the bill that I’d like inserted into the Journal. Thank you.”

The Chair having so ordered, Senator Baker’s remarks read as follows:

“Madam President, I rise to speak in favor of this measure – specifically, Part II.

“Madam President, **Part II** of H.B. No. 1757, H.D. 1, S.D. 3, C.D. 1:

- Exempts the sale of alcohol fuels from the general excise tax;
- Establishes a \$100,000 fine for producers and wholesalers who fail to pass on to the end consumer any savings realized from this exemption, with such failure deemed to be an unfair and deceptive trade practice enforceable under the powerful consumer protection provisions of HRS Chapter 480; and
- Increases the fuel tax by 1 cent per gallon.

“This measure would make it a little easier on the pocketbooks of *everyone* who needs to drive. And a lot of us *do* have to drive, and *many* of us have to drive long distances, particularly those of us on the Neighbor Islands and those, such as you, Madam President, who have long commutes to work here on Oahu.

“Exempting service stations from paying the four per cent general excise tax on each gallon of alcohol fuels sold *should* reduce the overall cost of gasoline to the consumer. Some dealers such as Aloha Petroleum have already announced their intention to do so. As I noted earlier, producers and wholesalers who fail to pass on to the end consumer the savings realized from this exemption are subject to substantial penalties.

“Madam President, the estimated revenue loss resulting from this measure is estimated to be \$32 million per year. The benefit to consumers outweighs the loss. However, as a precaution in case the economy slows more than anticipated and state tax revenues decrease too much, this GET exemption for alcohol fuels has a sunset date of June 30, 2009. Since the GET is such a regressive tax, I’m hoping we’ll be able to make the exemption permanent.

“Finally, this bill will levy a one cent increase on each gallon of fuel distributed to service stations and other business enterprises that use the fuel. This will inject sorely needed revenue of approximately \$9.2 million annually into the State Highway Fund. At a time of increasing costs and demands for repair and maintenance of our state highways, the State Highway Fund balance is projected to decline from \$91.9 million in the current fiscal year to \$5.2 million in 2013.

“We must recognize that the State Highway Fund provides moneys critical to the repair and maintenance of our state highways, and that money in the fund is used to match federal highway dollars in a 20 percent to 80 percent ratio, state to federal dollars. This measure is important for the driving public, both as a savings to their pocketbooks and as insurance that funds will be available for needed road repairs in the future.

“Madam President, I urge all of my colleagues to join me in voting in favor of this measure. Thank you.”

Senator Slom rose in support of the measure with reservations and said:

“Madam President, I rise to support the bill with reservations.

“In addition to the subject matter that was just discussed involving fees, of course the floor amendment provides an exemption from the general excise tax for liquid fuels, which is something that this Legislature should have done last year in terms of preserving the tax exemption that had already been there and which expired on December 31<sup>st</sup>, thus causing an increase in everyone’s gasoline purchase price. We will get some relief from this bill, but not for another couple of months as we watch the gasoline prices rising. And the other feature of the bill is that it raises the gasoline license tax by one penny per gallon.

“So, again we’re faced with poison pills. I will vote reluctantly with reservations, as I say, because the consumers of this state need, deserve, and should have had the exemption last year.

“Thank you.”

The motion was put by the Chair and carried, H.B. No. 1757, H.D. 1, S.D. 3, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO TRANSPORTATION,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Ayes with Reservations, 1 (Slom). Noes, 1 (Trimble). Excused, 1 (Taniguchi).

S.B. No. 1931, S.D. 2, H.D. 3, C.D. 2:

On motion by Senator Sakamoto, seconded by Senator Baker and carried, S.B. No. 1931, S.D. 2, H.D. 3, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO EDUCATION,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

H.B. No. 310, H.D. 2, S.D. 2, C.D. 2:

On motion by Senator Fukunaga, seconded by Senator Baker and carried, H.B. No. 310, H.D. 2, S.D. 2, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO TECHNOLOGY,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

H.B. No. 1270, H.D. 2, S.D. 2, C.D. 2:

Senator Kokubun moved that H.B. No. 1270, H.D. 2, S.D. 2, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Baker.

Senator Gabbard rose in support of the measure and said:

“Madam President, I just wanted to have my remarks entered into the . . . actually, I want to give my remarks.

“Thank you, Madam President, and also to Senator Kokubun for allowing me to serve on this Hawai‘i 2050 Sustainability Task Force. I’ve been to the community meetings on Saturday mornings with Senator Nishihara and also in the evenings, and I think it’s a very important process to see people actually getting involved in what we want Hawai‘i to look like in 2050.

“So again, I would like to say, ‘thank you.’ And as you all know, the funding will go toward allowing us to complete this very important planning process.

“Thank you.”

Senator Slom rose in opposition to the measure and said:

“Madam President, again, we have many fine points in this bill. It covers a lot of different areas, but it also creates yet another special fund, so I’ll be voting ‘no.’ Thank you.”

The motion was put by the Chair and carried, H.B. No. 1270, H.D. 2, S.D. 2, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO STATE PLANNING,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

S.B. No. 1792, S.D. 3, H.D. 3, C.D. 2:

Senator Ige moved that S.B. No. 1792, S.D. 3, H.D. 3, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Baker.

Senator Hemmings rose in opposition to the measure and said:

“Madam President, I rise to speak against S.B. No. 1792.

“A laudable goal – and that is to create some sort of system where the people that live under the health umbrella of the Hawai‘i Health Care Systems Corporation would have more control of their destiny. And I’d like to suggest that in trying to determine how they could do that, to look at the reasons why they don’t and look at the reasons why Hawai‘i Health Care Systems hemorrhages \$40-45 million a year where taxpayers have to subsidize the operation, and look at the reasons why oftentimes healthcare of individuals is imperiled, especially on the island of Maui where they need air ambulance service to bring people to Oahu to get certain services where I believe they don’t even have adequate neonatal services for the newborns that are born prematurely in dire need of immediate care.

“And the reasons have to do with bureaucracy that a regional health care organization made up of people of Maui will have no control over – the labor cost, management’s ability to be flexible. We just passed a bill not too long ago that’s going to allow labor unions’ collective bargaining agreements to preempt state law.

“Also, just the other day in a sad presentation here on the Floor, the Chairman of the Health Committee actually pointed out a sad truth regarding the ability of the people of Maui or the people of the state to control their destiny when it comes to health care. They can’t because it’s controlled by an untethered bureaucracy through SHPDA and the CON process. This bill would do nothing to preempt area organizations, both public and private, from doing anything in the medical care field to benefit the dying and the needy because first they’ll have to go through the SHPDA CON process.

“And as we heard from the Chairman of the Committee on Health, the public’s input is to be disregarded. The alleged 12-criterion law is to be disregarded because the SHPDA bureaucrats and most especially the Chairman of SHPDA knows better. And the last thing we want is to have an organization such as an area board subsidiary of HHSC making

decisions that would go against the 12 points as outlined in the material produced by SHPDA, not codified by law, I might add.

“So, though we’re being told that, ‘My gosh, the problems of HHSC and the people on Maui are going to be solved and those others living under the umbrella of this state monopolistic hospital system will be solved with this corporation,’ the facts are that they won’t. And I think the words articulated by the Chairman of the Committee on Health, especially on the CON SHPDA process regarding the people controlling their destinies, speak louder than mine.

“Thank you, Madam President.”

Senator Baker rose in support of the measure and stated:

“Madam President, I rise in strong support of this measure.

“Madam President and colleagues, despite what the Minority Leader has said, this measure actually fulfills the original recommendation made back in 1994 when the blue ribbon panel was convened to consider how to best organize what was then a division of community hospitals in the Department of Health. It called for then, and we’re enacting with this measure today, a series of regional system boards to provide local community governance to the facilities that are part of Hawai‘i Health Systems Corporation.

“We’re empowering the local regions, we’re reengaging the community stakeholders, and we’re preserving the best features of the system – a system that has provided leadership to help the facilities advance and to take up the cause of providing cutting edge, leading edge services to their residents. It’s not the quality of the health care that’s provided in our regions that brought this forth. It has to do with giving the regions the ability to respond more nimbly, more quickly, more directly, more appropriately to the needs that are found uniquely in each of the five regions of this system.

“Some of the facilities are long-term care facilities; some are thriving acute care hospitals providing services found no place else in the state; some of them are very small, critical access hospitals – each of them with their unique needs and each of them serving a very important role. The system over time has changed; health care has changed; the delivery of those services have changed, and it’s time that our system evolves, and that’s what this measure does.

“I want to commend the executive CEO of the HHSC for the leadership that he’s shown along with the board members that have brought the system to this point.

“The purpose of this measure is to take our public hospital system into the next decade and beyond. I would note for the record that while initially some of it was characterized as Maui only, there is widespread support among the other regions of Hilo, Kauai, Kona, and Oahu. I’m pleased that once people looked at the measure they found a measure with merit. There was a lot of give and take back and forth. In the end there was a realization that we’ve got a framework here that can provide a more responsive and more efficient system. And while no bill that any human person drafts is going to be perfect, it is a starting point to ensure that our regions have an opportunity to take ownership of their facilities and the system which was really designed for them.

“So, I thank my colleagues on the Health Committee and the Conference Committee and others who have worked with us to craft something that will help move the Hawai‘i Health Systems Corporation forward. While not solving every problem that

might ever exist with either the corporation or the system or health care in our state, it moves us light years forward.

“Mahalo.”

Senator Hemmings rose in rebuttal and said:

“Madam President, I rise to rebut the previous comments.

“I won’t belabor the point but I think the good Senator from Maui underscored my point quite accurately. These rules were first proposed in 1994 and now 13 years later allegedly something is going to be done that will have some consequence on healthcare on Maui and the other islands that are under the HHSC process.

“I would suggest to the people of Maui especially, that why 13 years later this has become such an urgent issue could be answered in one quick way – because on Maui, the people of that island have spoken clearly they want Malulani Hospital as an alternative to Maui Memorial. And I would further suggest that it would be in the people of Maui’s best interest to have two hospitals. Maui Memorial has some specialties that they do very well, but they have others that they don’t. I think those two hospitals could complement each other if Malulani was allowed into the marketplace.

“Here on Oahu, we have no state hospital. The private sector does a wonderful job of providing alternatives and specialties in different areas to serve all the medical needs of the people of Oahu. And I would suggest that in a constructive basis the same could be done on Maui. But this bill is precipitated by that issue, not necessarily doing what’s best for the people of Maui.

“I’ll read into the record at the appropriate time what the rules do say regarding the will of people concerning the process by which medical services can be brought to them.

“Thank you, Madam President.”

Senator Baker rose and said:

“Madam President, I rise in brief response to the Minority Leader’s rebuttal.

“First, just to correct a couple of items, there is an Oahu region of HHSC. It will soon be populated with three hospitals – Kahuku, Leahi, and Maluhia. They are distinct and different, but they serve an important part of the population here on Oahu. While it’s certainly true that the bulk of the facilities in the HHSC system are on the neighbor islands, if we did not have those facilities, there would be more than just a few people flown to the island of Oahu for their health care.

“With regard to some of the other allegations that the good Senator made, I invite him to come to Maui to take a tour of Maui Memorial, to go up to Kula, maybe even go over to Lanai, to see some of the health care that is provided there in a very fine and efficient manner. I would also note that health care, unlike retail sales, depends on economies of scale for the physicians to maintain their skills, their talents. While I think my constituents and perhaps every constituent of every Senator in here would like to be able to access every conceivable health service they might ever need on their own island without having to travel very far to get it, it is not realistic. It is not possible. That’s why we have centers of excellence even among the HHSC hospitals that provide certain services while others do not. It would not be cost efficient. We could not find the sufficient appropriate personnel. And it would not make sense for the doctors to perform one or two or three procedures within

a specialty per year. Their skills would not be appropriately maintained, and I would submit that we probably wouldn’t want to go to a doctor who wasn’t proficient.

“That’s why even with all of the wonderful care that is provided on Maui, on Hilo, in Kauai, on Oahu, some of our citizens need to travel outside of their region or the state to get their care. I submit that because of the size of our state and the size of our population, there are going to be some services that will forever be delivered elsewhere. That doesn’t mean that we shouldn’t strive to have the best and the most that we can provide for our citizens, because I think that’s all of our goal. Your Health Committee over the past number of years, including this year under the leadership of the Senator from Pearl City, has sought to make more services and more activities available throughout our state to improve the healthcare for all of our citizens.

“Madam President, this is a measure that will help to move the system forward. It will help us to be more efficient. It will help us to provide the kind of services that our citizens want.

“On a final note, let’s put Malulani to rest. Triad Hospitals was going to be the operations partner and the financing partner for this particular vision of a few folks on Maui. The deal died not because of a failed CON but because Triad was purchased by Community Hospitals and they do not have the ability now to provide financial backing. So this hospital, Malulani, CON or not, is not a live proposal anymore. It’s time to stop beating that horse and let’s all work together to provide for the kind of services we need on Maui and elsewhere. It is time to come together as we will through the health initiative task force that we just passed in H.B. No. 212 to do that.

“We can provide more care. We can provide better care, and if we all work together, it’s a much more efficient operation. Mahalo.”

Senator Ige rose in rebuttal as follows:

“Madam President, I just wanted to rise briefly on a point of rebuttal.

“I just wanted to clarify that in my comments on Tuesday I said that there was no place for political interference. I did not say community involvement. Clearly, SHPDA is an executive agency which was built as a partnership between Hawai’i’s healthcare industry and communities statewide. The whole process is built on involving the communities in the decisions and planning for development of healthcare facilities.

“Thank you.”

Senator Hooser rose in support the measure and said:

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

“Madam President, this is about making good healthcare better, and I want to applaud the Senate Health Chair and the Health Committee members as well as the Chair of Ways and Means, the former Senate Health Chair, for the hard work that this has taken to get the bill to this point.

“Members, you know, anyone who has followed this issue knows that it’s been back and forth and in some areas it’s been relatively contentious, but we’ve come to a place now where people who were initially opposed to this measure are now applauding the measure and saying that it will be good for healthcare – rural healthcare especially – in the HHSC system and in rural areas around our state.

"I also want to applaud for the record, publicly, the good doctors, nurses, and administrators that serve in our HHSC hospitals. I visited and toured and met with Maui Memorial doctors and administrators, and nurses, and employees, and I have first-hand experience on Kauai with Kauai Veterans Memorial Hospital. And I want to just say for the record that these are good people providing excellent services to the people in my community and on Maui and elsewhere in the state. This measure will help to give them the tools to do an even better job.

"On Kauai, we have private hospitals and we have HHSC hospitals. And quite honestly, there are people on Kauai who actually seek out the services of Kauai Veterans Memorial Hospital because they do a better job than the other hospitals do. I think that's really the key – hospitals working together, all of us working together to support good healthcare in our state. Every hospital, healthcare providers all over our state struggle with similar issues, and this bill will go a long way toward making our system stronger for our entire community.

"I have to say I am in strong support of this bill. I started out with some reservations, but after working with the proponents of the measure and having full and complete confidence that those proponents will work together with communities around our state to continue to look at this issue and to address concerns that may arise in the future and resolve any challenges that may remain. For that reason, I'm urging my colleagues to vote in support of this measure.

"Thank you."

Senator Bunda requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, S.B. No. 1792, S.D. 3, H.D. 3, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Ayes with Reservations, 1 (Bunda). Noes, 3 (Gabbard, Hemmings, Slom).

S.B. No. 1803, S.D. 1, H.D. 1, C.D. 2:

Senator Taniguchi moved that S.B. No. 1803, S.D. 1, H.D. 1, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Hee.

Senator Taniguchi rose in support of the measure and said:

"Madam President, I would like to request that I be allowed to insert comments in support of this measure into the Journal. Thank you."

The Chair having so ordered, Senator Taniguchi's remarks read as follows:

"Affordable health insurance is one of the State's most pressing concerns. Many of Hawai'i's workers are subscribers of individual plans provided by Hawai'i's insurers. Because individual plans and group health plans with one or few number of employees are not part of larger employee pools, health insurance premiums for individual plans are generally more expensive than large group health plans. The cost of health insurance, particularly for self-employed workers, single employee corporations or partnerships, and small business group health plans with few number of employees are of significant concern to Hawai'i's business and general community.

"S.B. 1803, C.D. 2 is intended to permit insurers to offer a different plan to employer groups of one (sole proprietors, one person corporations and partnerships) compared to what they offer to employer groups of two or more, upon a determination by the Insurance Commissioner that the insurer can adequately deliver services to enrollees of additional groups given its obligations to existing employer groups. This is intended to provide the Division of Insurance the authority and duty to allow broader combinations of insurance benefits. This measure will also provide consumers with greater choices in their health insurance provider. Expanding the available insurance coverage options will increase competition to the consumers' benefit."

Senator Hee rose to speak in favor of the measure and stated:

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

"Colleagues, it is the purpose and intent of this measure to expand access to health insurance by allowing broader coverage for less cost. S.B. No. 1803, C.D. 2, targets coverage to self-employed workers and businesses with one or very few employees. This measure provides greater flexibility for small insurers to provide comprehensive coverage to small businesses at a lesser cost.

"One of the reasons for this legislation is that in the past year, the current administration has chosen to interpret Hawai'i law in a different way than it has ever been interpreted before to prohibit combining drug and medical coverage; or from combining medical, dental, and drug; or any other combination of health related coverage into one insurance policy by small insurers. Numerous Hawai'i laws already permit combining various types of health coverage under one policy and this should be encouraged, not discouraged, to help provide the broadest health coverage possible for Hawai'i residents. This administration has chosen to consider these combined benefits as a violation of state anti-tying laws, even though regardless that the U.S. Supreme Court has made clear that a company with less than 30 percent market share has no coercive power in the marketplace and cannot violate federal anti-tying laws as articulated in *Jefferson Parish Hospital v Hyde*.

"Consistent with the federal standard, it is the Legislature's intent to encourage the existing practice by smaller accident and sickness insurers to bundle different classes of insurance such as health, dental, and vision together, thereby continuing the historical acceptance of this practice by small insurers who lack coercive power in the marketplace. In these circumstances, bundling provides broader healthcare coverage in single, unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawai'i insurance market place, and providing consumers with greater flexibility, coverage, and pricing options.

"Thank you, Madam President."

Senator Slom rose in support of the measure with reservations and said:

"Madam President, I rise in support of this bill with reservations.

"I know a little bit about small businesses and small business access to medical care, have been involved in negotiations for medical coverage for nearly three decades. I know that we are the only state in the Union that has the compulsory Prepaid Healthcare Act which forces employers to provide medical care. I know also that until about six years ago, most of the healthcare providers in Hawai'i did provide healthcare to small

business groups and small businesses, including sole proprietors and independent contractors, but they stopped doing that at that period of time. And we also take cognizance of the fact that if we look at how many health insurers there were a decade ago and now, we find that there are a lot fewer.

“So, saying all of that, the problem has been for small businesses and small employee associations to once again have access to the same kinds of discounts and rates that larger businesses and larger groups had. That was one of the major purposes of this bill, and I applaud that bill right down to the conference draft and right down to Floor Amendment No. 27 which changed one word. The one word that’s changed in this amendment and causes my reservation is ‘shall.’ The word used to be ‘may.’ The insurance commissioner ‘may’ exempt certain group health plans offered. Now, the one-word change in that C.D. is that the insurance commissioner ‘must’ exempt certain small business insurer groups as defined.

“My reading and knowledge of the market shows me that there’s only one business healthcare provider that is affected by this and qualified, and I think that if we’re going to be passing regulatory legislation and we say it’s for the consumers and we say it’s for small business, then in fact it should help all small businesses. What this does is to exempt the benefits for any business that has only one employee, and recent statistics and data show a growing number of businesses in Hawai‘i with only one employee.

“So, the overall intent and purpose is a good one, but the change of this one word is going to be harmful to a lot of small businesses. Overall, however, I think the bill is more beneficial and that’s why I’ll vote for it with reservations.

“Thank you.”

The motion was put by the Chair and carried, S.B. No. 1803, S.D. 1, H.D. 1, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO HEALTH INSURANCE,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Ayes with Reservations, 1 (Slom). Noes, none.

H.B. No. 964, H.D. 1, S.D. 2, C.D. 2:

On motion by Senator Ige, seconded by Senator Hee and carried, H.B. No. 964, H.D. 1, S.D. 2, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

H.B. No. 928, H.D. 1, S.D. 2, C.D. 2:

On motion by Senator Chun Oakland, seconded by Senator Baker and carried, H.B. No. 928, H.D. 1, S.D. 2, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO SOCIAL SERVICES,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

H.B. No. 1004, H.D. 2, S.D. 1, C.D. 2:

On motion by Senator Taniguchi, seconded by Senator Baker and carried, H.B. No. 1004, H.D. 2, S.D. 1, C.D. 2, entitled: “A BILL FOR AN ACT RELATING TO CONSUMER ADVOCACY,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

S.B. No. 148, S.D. 2, H.D. 1, C.D. 2:

Senator Baker moved that S.B. No. 148, S.D. 2, H.D. 1, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Tsutsui.

Senator Slom rose in opposition to the measure and said:

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

“This bill is a sham and a fraud. It skirts the constitutional requirement for a refund or rebate to every taxpayer. And while the lawyers are arguing this and the Attorney General is debating whether or not every taxpayer can mean only selective taxpayers, several things are clear. We had a substantial surplus. I know two days ago the Senate Majority Leader disputed the fact that there ever was a surplus. However, his colleagues in the House then an hour later had a press conference presenting a document and graph as to where the surplus went. We all know where the surplus has gone.

“The fact that we are selecting only a small group of people with limited income, I think, is reprehensible. They were not the people that primarily provided this surplus – it was the middle class and even the upper class that have provided information and also resources and particularly the taxes that went into this surplus. The Constitution has never been defined thusly before. We have plenty of programs that give to the poor or to selected groups. This mandated a refund or rebate to taxpayers, and anyone reading this would say that that is all of us who paid.

“And finally, to add insult to injury and to give the one thousandth cut, not only did we only appropriate approximately \$25 million out of a \$20 billion budget for tax relief, but it is only effective starting with the taxable year 2008, which means that the miniscule amount that will be returned to the very few will not be returned until 2009.

“Thank you.”

Senator Hemmings rose to oppose the measure and said:

“Madam President, I rise to speak against S.B. No. 148, relating to income tax credits.

“This is another in a long series of legislation that paints a pretty picture of helping the little guy, but in fact does little or nothing to help. In the past, we referred to these bills as ‘Trojan Horse bills’ or ‘facades’ where the appearances change, and this is just another one. I’m sure there are going to be Majority Party members that stand up and say, ‘This is a tax cut for the poor and why should we give a tax rebate to everybody, including the rich.’ Well, one of the reasons is because that’s what the Constitution says.

“But the other thing is, if you really look at this proposed tax cut, it really does not help the working poor. And I’ll enter into the record once again in case my colleagues across the aisle have not heard it, they, under total control of this Legislature and the laws of the State of Hawai‘i, tax the working poor the most of any other state in the Nation. Our standard deductions are less, and as a result, those on the lower end of the pay scale pay taxes in Hawai‘i, where in other states and at the federal level, they do not. The lowest 20 percentile of the wage earners of Hawai‘i – the poor – pay the highest percentage of their income in taxes in the State of Hawai‘i, while year in and year

out Majority Party members stand up and decry tax cuts for the rich and how it can help the poor.

“I would also suggest that the real poor, the people that really need our help – help like not taxing them for being hungry and sick – aren’t even going to file tax returns. Do you think the people living in tents in Waianae on the beach have the wherewithal and the money and the opportunity to file tax returns and collect this rebate? I don’t think so.

“So, this is another one of those great Majority Party efforts to tell the people of Hawai‘i we’ve ridden in on a white horse and saved you once again, when in fact it’s just the opposite. The working poor continue to suffer in an oppressive economy with being the highest taxed people in the Nation.

“I urge my colleagues to vote ‘no’ on this bill and to come back and give the people something they really deserve by cutting taxes on the poor rather than finding tricky ways to deceive them into thinking they’re going to get their money back.

“Thank you, Madam President.”

Senator Baker rose to speak in support of the measure and said:

“Madam President, I rise in strong support of this measure.

“Madam President, colleagues, S.B. No. 148, C.D. 1, does in fact provide for satisfaction of the Hawai‘i State Constitutional mandate requiring that taxpayers receive tax credit or refund as provided by law whenever the balance of the state general fund exceeds five percent of general revenues for each of two successive fiscal years. In other words, by law, the Legislature may define taxpayers, determine whether to give a refund or a credit, and to determine the size of the refund or credit. I would note for the record that in previous times when we have provided rebates, business taxpayers have not received one. It is the Legislature who defines what the term ‘taxpayer’ means.

“S.B. 148, C.D. 1, is a progressive tax credit. It provides for a graduated tax credit based on federal adjustable gross income to help low-income taxpayers. During the Floor discussion at the 1978 Constitutional Convention regarding this credit, Delegate Nozaki said it well when she stated: ‘I speak in favor of this amendment, which comes down on the side of the hard-pressed taxpayers of our State.’ This *targeted* tax relief is estimated to cost \$26 million and will benefit over 600,000 people.

“Colleagues, as is the case with another of our tax relief measures (S.B. 1882, C.D. 1, our low-income food/excise tax credit bill), I believe that this measure comes down on the side of people who really need it – the working poor and the folks who are struggling to make ends meet.

“In response to the Minority Leader’s suggestion that these folks will not be able to file a tax return to receive this credit back, what one of the floor amendments did was to make sure that it was refundable, and in other measures we have provided grants-in-aid to organizations that target individuals to help them not only claim the federal EITC credit, but they can help with this one as well.

“Madam President, I urge all of my colleagues to join me in support of this measure because I think it fulfills the mandate and provides some relief where it’s needed. Mahalo.”

The motion was put by the Chair and carried, S.B. No. 148, S.D. 2, H.D. 1, C.D. 2, entitled: “A BILL FOR AN ACT

RELATING TO INCOME TAX CREDIT,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Bunda, Whalen).

At 11:42 o’clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:51 o’clock a.m.

#### MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 820 and 821) were read by the Clerk and were placed on file:

Gov. Msg. No. 820, dated May 1, 2007, transmitting the 2005-2006 Annual Report, prepared by the Hawaii State Foundation on Culture and the Arts pursuant to Section 9-3, HRS.

Gov. Msg. No. 821, dated May 2, 2007, transmitting the Comprehensive Annual Financial Report of the State of Hawaii for the Fiscal Year Ended June 30, 2006, prepared by the Comptroller pursuant to Section 40-5, HRS.

#### HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 878 to 885) were read by the Clerk and were placed on file:

Hse. Com. No. 878, returning S.C.R. No. 24, S.D. 1, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 879, returning S.C.R. No. 25, S.D. 1, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 880, returning S.C.R. No. 91, S.D. 1, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 881, returning S.C.R. No. 137, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 882, returning S.C.R. No. 178, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 883, returning S.C.R. No. 197, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 884, returning S.C.R. No. 213, which was adopted by the House of Representatives on May 1, 2007.

Hse. Com. No. 885, returning S.C.R. No. 220, S.D. 1, which was adopted by the House of Representatives on May 1, 2007.

#### ADOPTION OF A HOUSE CONCURRENT RESOLUTION

Senator Menor, Chair of the Committee on Energy and Environment, requested that the joint referral of H.C.R. No. 174 to the Committee on Energy and Environment and the Committee on Water, Land, Agriculture and Hawaiian Affairs be waived.

Senator Menor noted:

“Madam President, the reason I’m requesting this waiver is because this reso, which would require the Department of Land and Natural Resources to report to the Legislature on certain

aquatic surf resources in the State and to look at funding a study on the feasibility of constructing artificial reefs, obviously addresses some important issues. However, I was recently informed that the Senate companion was not going to move out of the House. So, as such, I am respectfully requesting my colleagues to support the waiver of the referral of this particular reso so we can vote on it today.”

The Chair then granted the waiver.

H.C.R. No. 174:

On motion by Senator Menor, seconded by Senator Kokubun and carried, H.C.R. No. 174, entitled: “HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO REPORT TO THE LEGISLATURE ON CERTAIN AQUATIC SURF RESOURCES IN THE STATE INCLUDING THE COST OF FUNDING A STUDY ON THE FEASIBILITY OF CONSTRUCTING ARTIFICIAL REEFS,” was adopted.

At 11:53 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:59 o'clock a.m.

#### MOTIONS TO OVERRIDE VETOES

H.B. No. 10, S.D. 1:

In accordance with Article III, Section 17, of the Hawaii State Constitution, Senator Ige moved that the Senate override the veto of H.B. No. 10, S.D. 1, as contained in Gov. Msg. No. 807, seconded by Senator Taniguchi.

Senator Ige rose and said:

“Madam President, I request a Roll Call vote.”

The motion was put by the Chair and, Roll Call vote having been requested, the veto of H.B. No. 10, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS,” was overridden by not less than two-thirds vote of all members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 18. Noes, 4 (Gabbard, Hemmings, Slom, Trimble). Excused, 3 (Bunda, Inouye, Whalen).

H.B. No. 861, H.D. 1, S.D. 1:

In accordance with Article III, Section 17, of the Hawaii State Constitution, Senator Hee moved that the Senate override the veto of H.B. No. 861, H.D. 1, S.D. 1, as contained in Gov. Msg. No. 809, seconded by Senator Baker.

Senator Hee rose in support of the motion to override and said:

“Madam President, before I begin, it should be noted that the changes to the law made by this measure do not apply to projects that are financed by the proceeds of special purpose revenue bonds authorized prior to 2008.

“This bill, Madam President and colleagues, is a prospective bill and it does require, just as the Governor had said, that when an employer entered into a collective bargaining agreement with a labor union, the terms of that agreement will be the prevailing wages on that project whether or not they are SPRBs. For that reason, colleagues, I urge an override vote.

“Thank you.”

Senator Hemmings rose and said:

“Madam President, we’d like to ask for a Roll Call vote on this and the remaining bills on the agenda. Thank you.”

The Chair so ordered.

The motion was put by the Chair and, Roll Call vote having been requested, the veto of H.B. No. 861, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC WORKS,” was overridden by not less than two-thirds vote of all members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 18. Noes, 4 (Gabbard, Hemmings, Slom, Trimble). Excused, 3 (Bunda, Inouye, Whalen).

H.B. No. 863, H.D. 1:

In accordance with Article III, Section 17, of the Hawaii State Constitution, Senator Hee moved that the Senate override the veto of H.B. No. 863, H.D. 1, as contained in Gov. Msg. No. 792, seconded by Senator Kokubun.

Senator Hee rose to support the override as follows:

“Madam President, colleagues, this is, again, a prevailing wage bill. This bill would require that in any public works project where more than 50 percent of the project is of the state or political subdivision leases or is assigned more than 50 percent of the project, that prevailing wages shall be agreed to be paid.

“Thank you, Madam President.”

The motion was put by the Chair and, Roll Call vote having been requested, the veto of H.B. No. 863, H.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS,” was overridden by not less than two-thirds vote of all members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 19. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Bunda, Inouye, Whalen).

H.B. No. 1672:

In accordance with Article III, Section 17, of the Hawaii State Constitution, Senator Baker moved that the Senate override the veto of H.B. No. 1672, as contained in Gov. Msg. No. 758, seconded by Senator Tsutsui.

Senator Baker rose to support the motion and said:

“Madam President, colleagues, this measure would de-link the legislative service agency heads’ and chief deputies’ salaries from the executive salary schedule. We think this is inappropriate, as we are a separate branch of government.”

Senator Hemmings rose in support and said:

“Madam President, I rise to speak in favor of the motion.

“Madam President, because I’m departing from the Governor’s wishes on this, I think it’s important that the record reflect that I do agree with the previous speaker that we are a separate branch of government and we should be able to compensate our people accordingly. But I have to enter into the



record the message that the Governor gave us that in many instances deputy directors in legislative agencies will be making considerably more than directors in the executive branch of government – directors who in their employ have hundreds of people and have budgets of millions of dollars and more, as opposed to the legislative agencies who are oftentimes 7, 10, 15, or 20 people and have very miniscule budgets.

“Obviously, the executive branch of government’s responsibilities and work and scope of work is much more extensive, warranting them to get more pay. Having said that, in all fairness, if we are giving raises indexed to allow legislative branch of government employees to make more than executive branch agency directors, the honest thing to do would be to next year consider some realistic compensation for the executive branch of government.

“Nevertheless, I think the previous speaker’s point is well taken regarding separation of powers and compensation accordingly. And I just hope that this Legislature, with any degree of fairness and bipartisanship, will look at the opportunity to pay the people in the executive branch of government a fair and adequate wage in relationship with the work they do.

“Thank you, Madam President.”

The motion was put by the Chair and, Roll Call vote having been requested, the veto of H.B. No. 1672, entitled: “A BILL FOR AN ACT RELATING TO LEGISLATIVE SERVICE AGENCIES,” was overridden by not less than two-thirds vote of all members to which the Senate is entitled, on the following showing of Ayes and Noes:

Ayes, 19. Noes, 3 (Gabbard, Slom, Trimble). Excused, 3 (Bunda, Inouye, Whalen).

#### SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 149 to 153) were read by the Clerk and were disposed as follows:

##### Senate Resolution

No. 149 “SENATE RESOLUTION AUTHORIZING THE PRESIDENT TO APPROVE THE JOURNAL OF THIS SENATE FOR THE SIXTIETH DAY.”

Offered by: Senators Hooser, Hemmings.

On motion by Senator Ige, seconded by Senator Gabbard and carried, S.R. No. 149 was adopted.

No. 150 “SENATE RESOLUTION RELATING TO THE PRINTING OF THE JOURNAL OF THE SENATE.”

Offered by: Senators Hooser, Hemmings.

On motion by Senator Ige, seconded by Senator Gabbard and carried, S.R. No. 150 was adopted.

No. 151 “SENATE RESOLUTION AUTHORIZING THE PRESIDENT TO DESIGNATE THE EMPLOYEES WHO WILL WORK AFTER ADJOURNMENT.”

Offered by: Senators Hooser, Hemmings.

On motion by Senator Ige, seconded by Senator Gabbard and carried, S.R. No. 151 was adopted.

No. 152 “SENATE RESOLUTION REGARDING COMPLETION OF THE WORK OF THE TWENTY-FOURTH LEGISLATURE SUBSEQUENT TO THE ADJOURNMENT THEREOF.”

Offered by: Senators Hooser, Hemmings.

On motion by Senator Ige, seconded by Senator Gabbard and carried, S.R. No. 152 was adopted.

No. 153 “SENATE RESOLUTION INFORMING THE HOUSE AND GOVERNOR THAT THE SENATE IS READY TO ADJOURN SINE DIE.”

Offered by: Senators Hooser, Hemmings.

On motion by Senator Ige, seconded by Senator Gabbard and carried, S.R. No. 153 was adopted.

Senator Hemmings, Minority Leader, rose to deliver his closing remarks as follows:

“Madam President, I rise on a point of personal privilege to give a Minority perspective and recap on this past Session.

“Madam President, congratulations to the Majority Party. It seems that we have some new leadership and it’s resulted in some changes in the Senate. Procedurally, some of those changes have been beneficial and more transparent. I would have to say, in others, they haven’t been as transparent and they certainly have not been bipartisan, especially in relationship to the compensation our good employees make here at the Legislature.

“I do want to enter into the record, Madam President, some prepared comments on a contentious issue of several days ago regarding SHPDA and the CON process. I certainly don’t want to drag out that long process again. I want to say to the Chairman of the Health Committee of the Senate that, while I respect him personally, we just happen to disagree on this issue. Where I’ll tremendously agree with him is that his son is probably way better than me surfing on the Internet. I will concede that my 10-year old son also is way better than me, but I think that’s more indicative of the age that we’re in rather than his interest in the subjects at hand.

“In looking at what we did this Session, I would like to refer back to the Opening Day and the word that was so popular, Madam President. I think it’s a word that is worth considering in everything we do, especially in our island state, and that’s ‘sustainability.’ What we did in this Session was we sustained the status quo of how this government operates, and more importantly, who it operates for. It’s important that we look at how we do it. And I would suggest in the near future that people are not only going to consider what this Legislature did, because the truth of the matter is, when you look at the big picture, we didn’t accomplish any earth-shattering changes.

“We didn’t do much is probably what some will say is good, but how we did some things will be a subject of controversy, most especially is how we used our constitutional duty to advise and consent to the Governor’s nominations to cabinet positions. It’s readily apparent to us in the Minority and to, I would suggest, many in the public, including the usually sympathetic editorials of the two daily papers to the Majority point of view, that that whole process constituted a predetermined indictment and conviction of the nominees until such time as they could prove themselves worthy of advise and consent. And I would suggest that would have been very difficult under the circumstances.

“For the first time, subpoenas were utilized to bring to the table alleged unwilling testifiers. And for the first time, it was mentioned on numerous occasions about hearsay testimony and anonymous testimony. How sad that we would pass judgment on anybody by hearsay, gossip, and anonymous testimony. For the first time, we used closed hearings. How sad we would pass judgment on someone without the opportunity of that person to, in this case, address their accusers and at least have an inkling of what they said and the ability to address those charges.

“I think we’re all here because we believe in democracy and we believe that everybody is equal under the law, and that the law should be administered fairly and equally. But I would suggest that there are some people in the process more equal than others, and that there are some special interests that stand in line first in this Legislature.

“I would further suggest that the evidence and record of what we do year in and year out will clearly validate my suspicion. First in line are the government employee unions, most especially HGEA, UPW. When it comes time to make a budget, what this Legislature has done in the past and what it continues to do is put their desires before even the sick, the hungry, and the needy. It wasn’t too long ago that we raided special funds that earmarked money for human services and put them in a raid bill so that the general fund would look bloated enough so the labor unions could exploit binding arbitration. With the exception of one courageous leader in this Senate, we remember that the Senate reversed itself on right to strike and gave back to the system collective bargaining as mandated through binding arbitration. So there really is no downside risk to the labor unions having to go on strike to have their voice heard.

“I would like to remind everybody here that according to national statistics we’re number one in the Nation for employees in relationship to workers, or to population. I’d like to remind everyone that oftentimes we call public employees public servants when in fact the numbers are just the opposite. Our research uncovered that a janitor in public employ makes, with fringe benefits and wages, \$38,000 a year. The same janitor in private sector makes about \$26,000 a year.

“I’d like to remind the Majority Party that the fringe benefits of public employees are unprecedented in the Nation with the number of paid days off, the number of accrued holidays, sick leave, health care benefits for life, so much so, that if the Majority Party was making a budget based on the future rather than just flying by the seat of their pants from year to year as we do, they would see that these unfunded mandates, especially the healthcare as the newspapers so accurately pointed out, amounts to billions of dollars in the future.

“I certainly don’t want anyone to misunderstand. I truly believe that the vast majority of the public employees, especially the HGEA members, do a good job, but I also further understand they’re adequately compensated. I also understand that we’re all living in this economy together. And I would suggest to the heads of the unions, especially HGEA and our good friends there, that they’re not living in an isolated economy. Union members share in the bounty or the lack of in this economy along with everyone else, Madam President and colleagues. Their kids oftentimes go to school in public schools where they’re not getting the \$2.7 billion education that we’re paying for and they deserve. They work in an economy where we have the highest prices of taxes, of food, and of basic services. They get stuck in traffic just like the rest of us.

“So the question I would ask is, do we want to continue to have this Legislature answer to one special interest group first and foremost before any other, including the needy, at the

expense of the entire state, including those in the unions? I would suggest that we have to bring balance back to the system, that we have to consider everyone when we make decisions, not just those who campaign so hard to get us reelected at election time. I would suggest that the hallmark of this Legislature is becoming more and more apparent that this process does not serve all the people equally; that some get preferential treatment by the legislative process, but paid for more by the working men and women in Hawai‘i.

“I would further suggest, Madam President, that what we have done, especially this year, is further strengthen the hand of this special interest at the expense of everybody, including themselves – the members of the rank and file of the labor unions – who are far exceeding the point of diminishing returns in what should be an island state that is prospering with opportunity and economic prosperity.

“So, in summarizing this Session, under your new Leadership, Madam President, I would say in some ways you’ve made some progress in certain areas; in other ways, we have sustained the status quo. Ultimately, I hope an informed people make a decision on what’s best for them in the future. And I’m hoping that in the second year of this biennium Legislature we come back and undo some of the injustices we perpetrated during this Session.

“Thank you, Madam President.”

The President then delivered her closing remarks as follows:

“Members of the Senate, four months ago when I spoke at the opening of my first Legislative Session as Senate President, I talked about challenges and how much there was that needed to be done – the need to help our working families, the demand for housing, and the concerns of the next generation over whether they will find real opportunities and a comfortable life in this place we all love and in a place that we all call our home. Many of the Chairs and many of the members took on the challenges of heading Committees that they had not head before, and the members all served diligently with their new Chairs. And yes, of course, in any situation where we are going forward and making changes, we may have our ups and downs, but I would like to say to all the members on both sides of the aisle that it has been an honor and a pleasure to have been the President for this Session. And I think all the Chairs have made us all very proud.

“I would like to, however, put the record straight on certain things. First of all, when you talk about whether or not the Legislature is in the back pockets of the unions and you speak to the collective bargaining, I was actually going to applaud the Administration this year because this is one of the few times that we’ve actually seen collective bargaining result as a function of collective bargaining – in other words, that they negotiated it. They did not resort to binding arbitration. And what does that mean? It means exactly that – that what they did was they agreed. That made it, for this Body, the decision was whether we would agree to what the Administration decided in its wisdom among its administrators and the union as to what would be the appropriate pay raise and benefits for the working people. And I think that’s a great example that what this Administration did was negotiate, and it made it simply a matter for us of affirming it – affirming what they did. So let’s not get confused with binding arbitration when it in fact did not take place.

“We’ve also heard criticisms throughout this Session about our confirmation process. Let’s also look at that very carefully. This Body faced almost 400 confirmations – almost 400. Two hit the newspapers – Iwalani White and Peter Young.

“Let’s start first with Iwalani White. No one can say that the Senate is in the back pocket of the unions. After all, UPW testified in favor of Iwalani White and they are the major union when it comes to PSD. In addition to that, Senator Espero, who was the new Chair of PSD, did a very good job, so much so that he received emails from the Governor applauding him for a fair Session. So, because the media doesn’t agree, that doesn’t make it that we were wrong. It doesn’t make that the nine subpoenas that he requested were wrong. And, what the Senate did was follow the recommendation of that Chair.

“That brings us to Peter Young, where I think that committee members of the Water, Land, Agriculture and Hawaiian Affairs Committee should be applauded for doing an amazing job. And let us also be clear on the record as to what happened in that situation. It was not the Committee’s decision to be behind closed doors. It was in fact the Attorney General who requested that it be behind closed doors so that he could protect the ongoing investigation that he had. What the Committee did was everything it could to facilitate and accommodate and receive all the information that it needed to come before this Body to make the appropriate recommendation.

“That Committee took four days. Yes, four very long days. They were the ones who were meeting into the night listening to the testimony. And for that, they should not be faulted. Yes, the media may not have agreed, but that doesn’t make what they did any less important and it doesn’t make the decision of this Senate wrong because of that. It was not the choice of this Body that we would in essence have a situation which resulted in what people may say are closed door sessions which they really are executive sessions called upon by the request of the Attorney General.

“Now, we as a Body should take great pride in what we have accomplished. We have allocated new funds to housing for one thing – and that is to give new people, more families, a new place to live. We have provided tax relief to those who need it most. Yes, people may disagree in that they may feel that they don’t pay really the bulk of the taxes so why should they get the refunds? It is because they need it. And we have heard, many of us have heard from our constituents that let us give that tax relief to the people who want it and need it. And look, look at what many of our constituents have said, ‘Don’t give us back \$100 or \$25, fix the schools, or take care of the homeless.’ And that is what this Body did, and I applaud the Chair of Ways and Means and the Finance Chair for developing a method by which we could get the monies and the funds to those who need it because I believe that that is an appropriate role of government and we have not ignored that responsibility.

“We have relieved the burden of high gasoline prices by saving families close to \$32 million, and our students should find their schools to be a better place. Look at the bills we passed in this Session. We know, under the real true leadership of Senator Sakamoto, that K-12 education, we provided their high priority items, and in many situations provided more than what the Governor’s budget actually requested. There’s \$50 million in general funds for repairs and maintenance of the schools; \$40 million for aid to schools for adjustments for the weighted student formula.

“I believe that we have affirmed our commitment to education of our most precious treasures – our children – with budget allocations totaling \$2.4 billion. And remember part of that are the teachers. I am very glad that the teachers reached an agreement in collective bargaining and I cannot impress upon everyone how significant that is – that what they bargained for, no one may be all happy with it but that is what they bargained for and that was what this Legislature affirmed

in our votes earlier on collective bargaining items. For our very vulnerable children, we provided an extra \$2.5 million in general funds plus \$2.2 million in federal funds for the Child Protective Services. This was about a half-million dollars more than what the Administration requested.

“At the beginning of Session, 857 families faced uncertainty as to whether or not their affordable housing would remain affordable. We all know this as the Kukui Gardens. We responded with a budget commitment that would guarantee that those 857 units remain affordable. But, this too is a significant act in and of itself, because what this showed is that when the Governor’s Office, Speaker, as well as the Senate work together and in a very short period of time came up with a plan that would maintain 11 acres in state control. And the remaining acreage of the 22 acres that comprise Kukui Gardens, of the other half, the 400-plus units for the next 55 years will remain affordable. And that is the guarantee made by the developer. So, we are maintaining and keeping the numbers in affordable in a very important part of our community. Again, it shows that when we work together, we’re able to accomplish things. But, issues such as this somehow fall by the wayside because it seems to move a bit too smoothly and it doesn’t catch anyone’s interest.

“To help address our housing crisis, we appropriated nearly \$4.4 million over the next two years to operate homeless shelters, provide necessary services, and where possible, provide intervention services to prevent families from becoming homeless. We’re providing \$15 million over the next year to be deposited into the rental housing trust fund, enabling additional gap equity, low-interest loans or grants to be available to developers of affordable rental housing.

“At this point I ask that you permit me to digress on something because I don’t want the image to be that somehow the homeless are unable or lack the wherewithal to file tax returns to get some kind of refund. Because, please be assured, the bulk of the homeless, like I said on Opening Day, are on my coast – the Waianae Coast. The bulk of the homeless that we are assisting on the Waianae Coast are those who you would classify as working poor. They’re not on the beaches because they want to be on the beaches. They’re not on the beaches because they don’t have jobs or they don’t know how to do things like file tax returns. Be assured, many of them are there because they just happen to be down on their luck and they need a little bit of help. So, please, do not feel that the homeless on the Waianae Coast somehow are less than everyone else. They just happen to be less on luck.

“Tax relief on a progressive scale will ease the economic burden on those in the community who most need help. We have provided an \$80 million total tax relief package, returning dollars to the pockets of those who can truly benefit. Now, that is significant, especially when it comes to the issues of the food credits, and again, on how we would handle the issue of the rebates. And I believe that we have handled it well, bearing in mind what the obligations of government is.

“Yes, by addressing the needs of our community it may mean spending more money, and we have taken other actions that are so necessary. The Kupuna Caucus, of course, that has been something very passionately shepherded by Senator Chun Oakland with the assistance of Senator Ihara and we have looked at the fraud and financial manipulation and we’ve taken action to protect that.

“And let us also not forget that we have done something today – and that’s with the greenhouse emission law that we just passed, which is probably one of the most progressive in the Nation at this time.

“We have protected agricultural lands. One of the items in the budget that we haven’t really taken accolades for is the fact that we are there to preserve ag lands in Kunia, or the Del Monte lands. There is an appropriation of over \$8 million to do that.

“And we have considered how do we help our workers, and we have done that through the workforce development efforts that we have all enacted in this Legislative Session.

“I am confident in saying that each and every one of us on both sides of the aisle, whatever our political or philosophical differences may be, we have brought to the job the sweat and focus and the purpose of working for what we respectively believe is in the interest of the people of the State of Hawai‘i. We may not agree, but you know what? That’s good. I may not agree with the Minority Leader and I definitely do not agree most of the time with my good friend, the Senator from Hawai‘i Kai, but that doesn’t mean that we’re not working for the purposes that we all believe in. And that’s part of this. But the democratic process is one where we make our cases, we argue our points, and we vote. And simply because we are Democrats who happen to be the Majority doesn’t mean in and of itself that we blindly follow anything that may be proposed by the Democrats. I believe as a member of the Senate that the one thing that I have admired about the Senate as an institution is the fact that we are 25 very independent people, and our votes show it. If you step back and don’t harp on the differences and you look at the measures that we have voted together on, you will find that the differences are just a minor percentage. But we seem to sort of lose sight of how well we, as a Body, have worked together.

“The challenge that faces us every Session is a reminder that there is more that we need to do. The fact that we stand here and we disagree about whether we’ve accomplished anything is great because that means we all recognize that there is more to do.

“When I first stood here to give the Opening Day speech, I said, ‘This is just the beginning of a journey. It is not something that we will end in this Session.’ It’s impossible. We have too much to do. And I also agree with the Minority Leader on one point – which is that next Session we will come back, we will do better, and we will work together better on some issues, and we will not work together on some issues, because that’s the wonderment of the democratic process.

“Members, again, it has been an honor and a pleasure to be your Senate President for this Session and I look forward to us all convening in the upcoming Session. It would also not be proper for me to simply end without thanking the people that we must thank, and that is of course, our Senate Clerk, Carol Taniguchi; our Assistant Clerk, who’s here in spirit, Laurel Johnston; and our Sergeant-at-Arms, Ben Villaflor; and our Assistant, Jayson Watts, over there; and all of our staff and everyone else that makes us work and makes us function – Capitol TV, who makes it accessible; the Public Access Room that takes the brunt of the emails for us though we have tried to assist them.

“Members, thank you very much. This is a Session that I believe we can all leave here very proud of. Thank you so much.”

The President then made the following announcement:

“What we are going to do this Session that we have not done in the past, members, with all of your permission is, Senator Gabbard wants us, and rightfully so, to leave on a very high

note, so I’d like to turn it over to him and you can select those that need to assist you, but bear in mind, some of them cannot carry a note.”

Senator Hooser rose on a point of personal privilege as follows:

“Madam President, before Senator Gabbard, I just have a point of personal privilege, if I could.

“On behalf of the Senate Majority, Madam President, I wanted to offer our thanks and mahalo to you for doing such a great job this Session. We’re all busy people, but we can only imagine the work, the pressure, the stress that goes with the Office of the President, and you’ve done an exceptional job and we want to thank you for that.

“Another thing, Madam President, we want to wish you a happy birthday. It’s my understanding your birthday is tomorrow and many of us won’t be here tomorrow, so on behalf of the Senate Majority and I’m sure that the Minority will join us in that we want to just say ‘Happy Birthday’ and thank you for all the hard work that you’ve done this year.”

The President responded.

“Thank you very much. I do want the *Star-Bulletin* to note something – I was not part of the class of ’56 of St. Andrews Priory. I would take it that they were maybe trying to give me a message. I hope it was that I looked pretty good for somebody who graduated in the year 1956 from St. Andrews Priory, but thank you very much.”

Senator Gabbard rose on a point of personal privilege as follows:

“Madam President, I rise on a point of personal privilege.

“First of all, I would like to say mahalo also to the Senate Clerk’s Office, to Ben and everybody in the Sergeant-of-Arms and the Senate Minority Office as well as the Senate Majority Office, and also to you, my colleagues, for making this freshman season a very interesting one, to say the least.

“I would also like to follow in the lead of the good Senator from Maui in Senate District 6. At the beginning of this Session he asked for forgiveness, and I would like to ask for forgiveness from my colleagues – if I’ve offended you in any way, I ask for your forgiveness.

“I would like to have us all join in. This is going to be a group thing. It’s a song that we all know and love – ‘Hawai‘i Aloha’ – written by Pastor Lorenzo Lyons back in the 1800s. Unfortunately, we always used to sing one verse and the chorus, and it’s kind of at the end, so today we’re going to sing all three verses, and I’ve asked some of my colleagues to join me. It’s going to be a bilingual effort – we’ll do it in Hawaiian and in English. So, please stand and join me.

“Thank you.”

At this time, the members of the Senate rose and joined hands to sing “Hawai‘i Aloha.”

At 12:47 o’clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 1:39 o’clock p.m.

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**ADJOURNMENT**

Senator Ige moved that the Senate of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2007, adjourn Sine Die, seconded by Senator Gabbard and carried.

At 1:39 o'clock p.m., the President rapped her gavel and declared the Senate of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2007, adjourned Sine Die.