

## THIRTY-SECOND DAY

Friday, March 14, 2008

The Senate of the Twenty-Fourth Legislature of the State of Hawai'i, Regular Session of 2008, convened at 11:43 a.m. with the President in the Chair.

The Divine Blessing was invoked by the Honorable Will Espero, Hawai'i State Senate, after which the Roll was called showing all Senators present.

The President announced that she had read and approved the Journal of the Thirty-First Day.

At this time, the following introductions were made to the members of the Senate:

Senators Baker and Bunda congratulated the American Cancer Society Hawaii Pacific, Inc., on its 60 years of fighting cancer and introduced Jackie Earle, Virginia Pressler, Bernie Sakoda, Beverly Wong, Jackie Young and Tina Clothier.

Senators Slom and Chun Oakland honored Peggy Chung and Holy Trinity School for the creation of the Father Damien Mosaic and introduced the following individuals Peggy Chun, artist; Magdalena Hawajska, restoration artist from Poland; Auli'i Ludington, Kindergarten; Julian Lagarde, First Grade; Shannon Chung, Second Grade; Palmoa Higashi, Third Grade; Aspen Watkins, Fourth Grade; Keegan McCrary, Fifth Grade; Rachel Blundon, Sixth Grade; Jordan Simao, Seventh Grade and Lokalia Isaia, Eighth Grade.

At 12:07 p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:16 p.m.

**MESSAGES FROM THE GOVERNOR**

The following messages from the Governor (Gov. Msg. Nos. 502 to 504) were read by the Clerk and were placed on file:

Gov. Msg. No. 502, dated February 7, 2008, transmitting the Hawai'i Ocean Resources Management Plan 2007 Annual Report, prepared by the Department of Business, Economic Development and Tourism, Office of Planning, Hawai'i Coastal Zone Management Program, pursuant to S.C.R. No. 137 (2005).

Gov. Msg. No. 503, dated February 29, 2008, transmitting the Hawaii State Public Library System's Report on their Maintenance and Energy Efficiency Projects for the Fiscal Biennium 2007-2009, prepared by the Department of Education, Hawaii State Public Library System, pursuant to Act 213, Section 86, SLH 2007.

Gov. Msg. No. 504, letter dated March 11, 2008, transmitting proposed changes to the Executive Supplemental Budget for FY 2009 for various budget items for the Department of Transportation.

**DEPARTMENTAL COMMUNICATIONS**

The following communications (Dept. Com. Nos. 36 and 37) were read by the Clerk and were placed on file:

Dept. Com. No. 36, from the Department of Budget and Finance, Public Utilities Commission, dated March 11, 2008, transmitting a report pursuant to Section 269-16(d), HRS, in the Matter of the Application of Waikoloa Resort Utilities, Inc., dba West Hawaii Utility Company, for Approval to Increase Rates.

Dept. Com. No. 37, from the State Auditor dated March 13, 2008, transmitting a report, "Sunset Evaluation: Mental Health Counselors," (Report No. 08-06).

**STANDING COMMITTEE REPORTS**

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2932) recommending that H.B. No. 3059, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 3059, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LOW-INCOME HOUSING TAX CREDITS," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Taniguchi, for the majority of the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 2933) recommending that H.B. No. 2456, H.D. 2, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the majority of the Committee was adopted and H.B. No. 2456, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Nishihara, for the Committee on Tourism and Government Operations, presented a report (Stand. Com. Rep. No. 2934) recommending that H.B. No. 2985, H.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2985, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Hee, for the Committee on Water and Land, presented a report (Stand. Com. Rep. No. 2935) recommending that H.B. No. 2518, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2518, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LAND CONSERVATION," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Ige, for the Committee on Health, presented a report (Stand. Com. Rep. No. 2936) recommending that H.B. No. 2540, H.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2540, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Tokuda, for the Committee on Agriculture and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 2937) recommending that H.B. No. 2739, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No.

2739, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Tokuda, for the Committee on Agriculture and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 2938) recommending that H.B. No. 2261, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Energy and Environment.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2261, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Second Reading and was referred to the Committee on Energy and Environment.

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2939) recommending that H.B. No. 1984, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary and Labor.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 1984, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Second Reading and was referred to the Committee on Judiciary and Labor.

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2940) recommending that H.B. No. 2238, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2238, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2941) recommending that H.B. No. 2515, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2515, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO KUKUI GARDENS," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Ige, for the Committee on Health, presented a report (Stand. Com. Rep. No. 2942) recommending that H.B. No. 2306, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2306, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAXATION," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Kokubun, for the majority of the Committee on Commerce, Consumer Protection and Affordable Housing, presented a report (Stand. Com. Rep. No. 2943) recommending that H.B. No. 3196, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the majority of the Committee was adopted and H.B. No. 3196, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Kokubun, for the Committee on Commerce, Consumer Protection and Affordable Housing, presented a report (Stand. Com. Rep. No. 2944) recommending that H.B. No. 2248, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2248, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Menor, for the Committee on Energy and Environment, presented a report (Stand. Com. Rep. No. 2945) recommending that H.B. No. 2922, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2922, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FUEL TAX," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Menor, for the Committee on Energy and Environment, presented a report (Stand. Com. Rep. No. 2946) recommending that H.B. No. 2005, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2005, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY TECHNOLOGIES," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Menor, for the Committee on Energy and Environment, presented a report (Stand. Com. Rep. No. 2947) recommending that H.B. No. 3444, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 3444, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Menor, for the Committee on Energy and Environment, presented a report (Stand. Com. Rep. No. 2948) recommending that H.B. No. 3064, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 3064, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REFUNDABLE RENEWABLE ENERGY TAX CREDIT," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senators Menor and Tokuda, for the Committee on Energy and Environment and the Committee on Agriculture and

Hawaiian Affairs, presented a joint report (Stand. Com. Rep. No. 2949) recommending that H.B. No. 3410, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the joint report of the Committees was adopted and H.B. No. 3410, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BIODIESEL," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2950) recommending that H.B. No. 584, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 584, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2951) recommending that H.B. No. 2778, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 2778, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAX CREDITS," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator Chun Oakland, for the Committee on Human Services and Public Housing, presented a report (Stand. Com. Rep. No. 2952) recommending that H.B. No. 3008, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the report of the Committee was adopted and H.B. No. 3008, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO QUALIFIED IMPROVEMENT TAX CREDIT," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senators Chun Oakland and Inouye, for the Committee on Human Services and Public Housing and the Committee on Intergovernmental and Military Affairs, presented a joint report (Stand. Com. Rep. No. 2953) recommending that H.B. No. 2797, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ige, seconded by Senator Whalen and carried, the joint report of the Committees was adopted and H.B. No. 2797, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE KALOKO HOUSING PROGRAM," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Baker, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 2954) recommending that H.B. No. 3161, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 2954 and H.B. No. 3161, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION," was deferred until Monday, March 17, 2008.

Senators Kokubun and Chun Oakland, for the Committee on Commerce, Consumer Protection and Affordable Housing and the Committee on Human Services and Public Housing, presented a joint report (Stand. Com. Rep. No. 2955) recommending that H.B. No. 2514, H.D. 1, pass Second Reading and be referred to the Committee on Economic Development and Taxation.

On motion by Senator Ige, seconded by Senator Whalen and carried, the joint report of the Committees was adopted and H.B. No. 2514, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX," passed Second Reading and was referred to the Committee on Economic Development and Taxation.

Senator English rose on a point of personal privilege and said:

"Well members, as you can see our colleague from Kaneohe has left early to celebrate something and I have to tell you what he's celebrating. Today Clayton Hee is 55 years old, so he went to celebrate his birthday early; just want to let everybody know that we can wish him a happy birthday. Fifty-five years ago something—the Hawaiians have a term; it's called 'kupaianaha,' which is 'wondrous, extraordinary,'—happened; Clayton was born. Happy Birthday, Clayton."

#### ADJOURNMENT

At 12:17 p.m., on motion by Senator Ige, seconded by Senator Whalen and carried, the Senate adjourned until 11:30 a.m., Monday, March 17, 2008.