THE SENATE THE TWENTY-FIFTH LEGISLATURE **REGULAR SESSION OF 2009**

COMMITTEE ON WAYS AND MEANS

Senator Donna Mercado Kim, Chair Senator Shan S. Tsutsui, Vice Chair

NOTICE OF DECISION MAKING

DATE: Monday April 6, 2009

TIME: 9:30 a.m.

PLACE: Conference Room 211

State Capitol

415 South Beretania Street

<u>A G E N D A</u>

WTL

HB 1552, HD2, SD1 RELATING TO PUBLIC LANDS. WTL, WAM

HMS, WAM

Authorizes DLNR to issue long-term residential leases to qualified (SSCR1055) persons in state living parks. Establishes living park planning councils to develop state living park master plans to ensure the living park **Testimony** achieves its purpose and goals. Takes effect July 1, 2020. (SD1)

Status

HB 1766, HD2, SD1

RELATING TO SMALL BOAT HARBORS. WTL, WAM

Permits commercial permits in Ala Wai and Keehi small boat harbors; (SSCR1082) directs the department of land and natural resources to provide a

request for proposal for a public-private partnership to develop a **Testimony** portion of Ala Wai small boat harbor; permits commercial use permits Status to be issued for vessels assigned moorings in Ala Wai and Keehi small

boat harbors; and provides for future mooring fees to be established by

appraisal. (SD1)

HMS

HB 1187, HD1, SD1 RELATING TO THE HOMELESS.

Assists the homeless in reuniting with their families. Takes effect July (SSCR1047)

1, 2050. (SD1)

Testimony

Status

HTH

RELATING TO TOBACCO. HTH, WAM HB 896, HD1 Makes permanent the retail tobacco permit law. (HB896 HD1)

(SSCR961)

Testimony

Status

HEARING WAM 04-06-09 .htm *HEARING_WAM_04-06-09_.htm* *HEARING_WAM_04-06-09_.htm* HB 343, HD1, SD1 RELATING TO RURAL PRIMARY HEALTH CARE TRAINING. HTH/HRE, WAM Appropriates funds to develop a statewide rural primary health care (SSCR967) training program and support the family medicine residency program of the University of Hawaii John A. Burns school of medicine's **Testimony** department of family medicine and community health. (SD1) **Status** HB 694, SD1 RELATING TO THE HAWAII HEALTH SYSTEMS HTH, WAM CORPORATION. (SSCR1034) Authorizes a facility or regional health care system under the Hawaii **Testimony** health systems corporation to transition into a new legal entity; amends the maintenance of services requirements; requires Hawaii health Status systems corporation to assume liabilities and debts or other obligations accrued beginning on July 1, 1996; requires commercial health plans to provide a minimum reimbursement level; authorizes special negotiating authority for Hawaii health systems corporation with bargaining units; authorizes criminal history record checks. Effective July 1, 2050. (SD1) WAM HB 39, HD2 RELATING TO STATE REVENUES. WAM Provides for the temporary transfer of interest from certain special Proposed SD1 funds, revolving funds, and special accounts to the general fund. (HSCR735) Subjects special funds, with a few exceptions, to assessments for the central service and departmental administrative expenses transfers non-**Testimony** general funds into the general fund. (SD1) **Status** RELATING TO THE TRANSIENT ACCOMMODATIONS TAX. HB 1744, HD1 WAM Suspends for 6 years from 07/01/2009 to 06/30/2015 the distribution of (HSCR742) transient accommodations tax revenues to the counties. Effective 07/01/2020. (HB1744 HD1) **Testimony** Status HB 1600, HD1 RELATING TO THE GENERAL EXCISE TAX. WAM Exempts from the general excise tax, amounts received by a common (HSCR764) paymaster to pay employees of two or more related businesses, on behalf of the related businesses, where the applicable relationship is **Testimony** defined under Section 267(b) of the Internal Revenue Code. (HB1600 Status HD1) HB 1605, HD1 RELATING TO TAXATION. WAM Authorizes each county to establish a retail sales tax on the sales of Proposed SD1 tangible personal property. (HSCR752) (Proposed SD1)

Increases the income tax for high income brackets. Repeals the

Testimony

Status

HB 1747, HD1 RELATING TO TAXATION. WAM

(HSCR765)

increases on 12/31/15. (HB1747 HD1)

Testimony

Status

HEARING WAM 04-06-09 .htm *HEARING_WAM_04-06-09_.htm* *HEARING_WAM_04-06-09_.htm* HB 1364, HD1 RELATING TO THE BUDGET. WAM

Requires the governor or the director of finance to report restrictions of (HSCR789)

appropriations to the legislature. (HB1364 HD1)

Testimony Status

HB 1739, HD1 RELATING TO TAXATION. WAM

Deters tax fraud and conforms Hawaii tax law to the Internal Revenue Proposed SD1 Code for tax preparers and tax return accuracy-related issues, promotes expedited tax appeals, authorizes the Department of Taxation to adopt (HSCR754) temporary rules, and clarifies taxpayer rights with respect to tax

Testimony

appeals. (SD1 Proposed)

Status

TIA

RELATING TO INTRA-STATE AVIATION. TIA, WAM HB 142, HD1

Exempts the general excise and use taxes on fuel sold from a foreign-(SSCR909) trade zone to common carriers for use in interisland air transportation.

(HB142 HD1) **Testimony**

Status

RELATING TO ESTABLISHING A COUNTY TRANSIT TIA/EDH, WAM HB 863, HD1, SD1

ORIENTED DEVELOPMENT INFRASTRUCTURE REVOLVING (SSCR926) FUND.

Creates the county infrastructure development revolving loan fund **Testimony** within department of budget and finance to provide no-interest loans to **Status** the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, especially those involving affordable housing. Effective

07/01/2020. (SD1)

HB 1166, HD1, SD1 RELATING TO THE PASSENGER FACILITY CHARGE SPECIAL TIA, WAM

FUND.

(SSCR925) Provides the Airports Division of the Department of Transportation **Testimony** with additional financing options utilizing its passenger facility charge revenues to construct airports capital improvement projects and to

Status provide the statutory framework to permit the execution of these

financial options. (SD1)

CPN

HB 1059, HD2, SD1 RELATING TO THE ONE CALL CENTER. CPN. WAM

Makes permanent the One Call Center pilot program, which facilitates (SSCR960) advance warnings to excavators of the location of underground **Testimony** facilities. Exempts pest control operations from the program for three

years. (SD1) **Status**

HB 1071, HD3, SD1 RELATING TO MORTGAGE SERVICERS. CPN, WAM

Provides for the licensing and regulation of mortgage servicers that (SSCR927) service residential mortgage loans secured by real property located in

Testimony the State of Hawaii. Specifies prohibited practices for mortgage

servicers. Effective January 1, 2010. (SD1) Status

HB 1074, HD2, SD1

RELATING TO INSURANCE.

Effective 07/01/2020. (SD1)

2050. (SD1)

CPN, WAM

(SSCR928)

Testimony

Status

Makes numerous updates to the Insurance Code. Clarifies allowable insurer investments to meet capital and reserve requirements. Sets a time limit for insurers to claim the Retaliatory Tax Credit. Limits the issuance of surplus lines broker licenses to certain insurance lines of authority. Allows a limited adjuster license for crop insurance claims. Amends the continuing education credit hours required for insurance produce license renewals. Makes printed form filings optional for insurance rate filings in accordance with state plans to begin accepting electronic rate filings and payments for all lines of insurance.

HB 1404, HD1, SD1

RELATING TO GENERAL EXCISE TAX.

CPN, WAM

(SSCR977)

Testimony

Status

EDT

RELATING TO THE STATE OF HAWAII ENDOWMENT FUND.

Makes the general excise tax exemption amendments for timeshare

operators and condominium submanagers permanent. Effective July 1,

EDT, WAM

HB 381, HD2, SD1 (SSCR1060)

Testimony

Status

Amends the \$4,000,000 appropriation to the State of Hawaii

Endowment Fund authorized under Act 97, SLH 2006, as amended by Act 156, SLH 2007) to stipulate that all portions of pledges not collected by February 28, 2013, will cause any unexpended or unencumbered balance from the appropriation to revert to the general

fund. Effective 7/1/2050. (SD1)

HB 610, HD2, SD1

(SSCR929)

Testimony

Status

RELATING TO SCIENCE AND TECHNOLOGY.

EDT, WAM

Amends the Hawaii State Planning Act to include references to science and technology initiatives in Hawaii. Amends the department of business, economic development, and tourism's reporting requirement to the legislature on the growth industries of Hawaii. (SD1)

HB 611, HD1, SD1

(SSCR1070)

Testimony

Status

RELATING TO TAXATION.

EDT, WAM

Amends the capital goods excise tax credit so that it applies only to property placed in service or purchased pursuant to a binding contract in taxable years beginning before July 1, 2009; suspends the credit for taxable years beginning on or after July 1, 2009, and ending on or before December 31, 2011; and adds a new part for property placed in service or purchased pursuant to a binding contract in taxable years beginning after December 31, 2011. Requires the department of taxation, with the assistance of the department of business, economic development, and tourism, to evaluate certain tax credits and tax exemptions and report to the legislature. Requires the department of taxation to give recommendations and for the legislature to implement those recommendations prior to the mandate for those tax credits and tax exemptions to sunset. (SD1)

HB 984, HD4, SD1

RELATING TO TECHNOLOGY.

EDT/CPN, WAM

(SSCR1026)

Testimony

Status

Implements key recommendations of the Hawaii broadband task force by establishing the Hawaii broadband commissioner (HBC) in the department of commerce and consumer affairs (DCCA). Transfers functions relating to telecommunications from the public utilities commission to the HBC and functions relating to cable services from DCCA to the HBC. Establishes a work group to develop procedures to streamline state and county broadband regulation, franchising, and

Adopts amendments to Hawaii tax laws to implement the streamlined

HB 1405, HD2, SD1

RELATING TO THE GENERAL EXCISE TAX.

permitting and report to the legislature. (SD1)

EDT, WAM

(SSCR1040)

Testimony

Status

HB 1583, HD1

RELATING TO TAXATION.

sales and use tax agreement. (SD1)

WAM

(HSCR759)

<u>Testimony</u>

Status

Reduces tax credits allowed under chapters 235, 239, 241, and 431, HRS, by 75 percent for taxable years beginning on or after January 1, 2009, and ending before January 1, 2011. Suspends the use of tax credit carryovers generated from taxable years beginning before January 1, 2009, until January 1, 2011. (HB1583 HD1)

HB 1451, HD2, SD1

RELATING TO TAXATION.

EDT, WAM

(SSCR998)

Testimony

Status

Extends the high technology business investment, research activities, and technology infrastructure renovation tax credits to 12/31/2012. Provides aggregate caps on the high technology business investment tax credit for each qualified high technology business and disallows 100% of the credit in the year that a recapture event occurs and each year thereafter. Requires a drop-down subsidiary to obtain a comfort letter. (SD1)

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HMS

HB 333, HD2, SD1

RELATING TO TAXATION.

HMS, WAM

(SSCR979)

Testimony

Status

Creates a state earned income tax credit funded initially with TANF funds. Restricts the interest charged by tax preparers to clients who claim the earned income tax credit. Takes effect January 1, 2050.

(SD1)

HB 739, HD2, SD1

RELATING TO TEMPORARY ASSISTANCE TO NEEDY FAMILIES.

HMS, WAM

(SSCR1072)

Testimony

Status

Details how the legislature will spend TANF funds, emphasizing child care services, work program contracts and related support services, the prevention of out-of-wedlock pregnancies, the purchase of service contracts for child protective services, information system maintenance, and administration costs. Transfers portions of TANF funds to the social services block grant and child care development fund. (SD1)

HB 989, HD1, SD1

RELATING TO CHILDREN'S HEALTH CARE.

HMS/HTH, WAM

(SSCR980)

<u>Testimony</u>

Status

Amends the Act 236, Session Laws of Hawaii 2007, which established the Hawaii children's health care program, to extend the program for three more years and require reporting to Legislature prior to the 2010

and 2011 Regular Sessions. Effective 07/01/2020. (SD1)

^{*}HEARING WAM 04-06-09 .htm*

HB 1064, HD1, SD1 (SSCR1071)

MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES TO ADDRESS THE

BUDGET SHORTFALL.

Testimony

Status

Emergency appropriation to address the budget shortfall for general assistance payments in April, May, and June of 2009, and to address the budget shortfall in fiscal year 2008-2009 for mental health services and Hawaii Health Systems Corporation. (SD1)

HB 1098, HD2, SD1

(SSCR981) **Testimony**

Status

RELATING TO GENERAL ASSISTANCE.

Places a twenty-four-month limit on general assistance to households without minor dependents with appropriate exceptions. Requires DHS to refer general assistance recipients to the aid to the aged, blind, and disabled program under specified conditions. Converts general assistance into an entitlement program. Takes effect July 1, 2020.

RELATING TO FEDERAL FINANCIAL ASSISTANCE FOR

Repeals section 348-9, Hawaii Revised Statutes, that establishes the

INDEPENDENT LIVING SERVICES AND CENTERS.

Statewide Council on Independent Living. (SD1)

(SD1)

HB 1103, SD1

(SSCR1046)

Testimony

Status

HB 1284, HD1, SD1

(SSCR1073)

Testimony

Status

RELATING TO HEALTH.

Appropriates unspecified funds for each year of the 2009-2011 fiscal biennium to increase the payments for physician services to medicaideligible persons, including fee-for-service, QUEST provider services, and QUEST Expanded Access Program up to an unspecified per cent of the current medicare rate. Requires the department of human services (DHS) to report to the legislature prior to the 2010 regular session with (1) the amount of baseline medicaid and additional funds needed for fiscal year 2010-2011, and (2) the amount of funding required to continue increased payments for physician services to medicaid-eligible persons. Requires DHS to seek an appropriation in an amount equal to at least the amount appropriated in 2009-2010 for additional payments for physician services. Effective date 7/1/2050.

(SD1)

HB 1354, HD2, SD1

(SSCR1045)

Testimony

Status

HB 1<u>525, HD1, SD1</u>

(SSCR1052)

Testimony

Status

HRE

RELATING TO CHILDREN.

Appropriates Temporary Assistance for Needy Families funds and general revenue funds for the Healthy Start and Enhanced Healthy Start Programs, to maintain current services, to hire additional staff and

for provider training. Effective 7/1/20. (SD1)

RELATING TO MEDICAID.

Requires the department of human services to award medicaid contracts to nonprofit and for-profit entities which comply with specified reporting requirements. Effective 1/1/2016. (SD1)

HMS/JGO, WAM

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HMS, WAM

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HMS, WAM

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RELATING TO THE STATE OF HAWAII COLLEGE SAVINGS HB 1057, HD1, SD1

PROGRAM.

HRE, WAM

(SSCR1005)

Supports investment in a child's future by allowing family members and friends to contribute to State-established HI529 college savings **Testimony** accounts that currently only account owners can contribute to. (SD1)

Status

HB 1174, HD3, SD1

(SSCR1054)

Testimony

Status

RELATING TO THE UNIVERSITY OF HAWAII.

Authorizes the board of regents to charge fees and enter into lease agreements for the Mauna Kea lands, adopt rules to regulate public and commercial activities on Mauna Kea lands, establish and collect administrative fines for violations; establishes a Mauna Kea lands management special fund for the University of Hawaii to manage Mauna Kea lands; requires annual reports to the legislature. Effective

7/1/2025. (SD1)

HRE/WTL, WAM

Decision making meeting only, no public testimony will be accepted.

Persons wishing to comment should submit their comments in one of the following ways:

- By Email: Comments may be emailed if less than 5 pages in length, to the Committee at WAMTestimony@Capitol.hawaii.gov . Please indicate the measure, date and time of the hearing. Email sent to individual offices or any other Senate office will not be accepted.
- By Web: Comments may be submitted online if less than 4MB in size, at http://www.capitol.hawaii.gov/emailtestimony.
- In person: 1 copy of their Comments to the committee clerk, Room 210, State Capitol.
- By fax: Comments may be faxed if less than 5 pages in length, to the Senate Sergeant-At-Arms Office at 586-6659 or 1-800-586-6659 (toll free for neighbor islands), at least 24 hours prior to the hearing. When faxing, please indicate to which committee the comments is being submitted and the date and time of the hearing.

FOR AMENDED HEARING NOTICES: If the notice is an amended notice, measures that have been deleted are stricken through and measures that have been added are underscored. If there is a measure that is both underscored and stricken through, that measure has been deleted from the agenda.

If you require special assistance or auxiliary aids or services to participate in the public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the committee clerk 24 hours prior to the hearing so arrangements can be made.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT 586-6800.

Senator Donna Mercado Kim	
Chair	