#### **THE SENATE** THE TWENTY-SIXTH LEGISLATURE **REGULAR SESSION OF 2011**

# **COMMITTEE ON WAYS AND MEANS**

Senator David Y. Ige, Chair Senator Michelle Kidani, Vice Chair

# **NOTICE OF DECISION MAKING**

DATE: Wednesday, March 30, 2011

9:30 a.m. TIME:

PLACE: Conference Room 211

State Capitol

415 South Beretania Street

# $\underline{A}\underline{M}\underline{E}\underline{N}\underline{D}\underline{E}\underline{D}$ $\underline{A}\underline{G}\underline{E}\underline{N}\underline{D}\underline{A}$

#### The following measures were previously heard in their respective Subject Matter Committees:

HB 865, HD2, SD1 (SSCR826) Testimony Status	RELATING TO INSPECTION FEES. Increases the fee assessed for the inspection, quarantine, and eradication of invasive species contained in any freight from 50 cents to 75 cents for every 1,000 pounds of freight or part thereof brought into the State. Effective July 1, 2020. (SD1)	AGL, WAM
HB 866, HD2, SD1 (SSCR824) Testimony Status	RELATING TO AGRICULTURE. Allows beekeepers to register with the department of agriculture. Appropriates funds for apiary program. Effective July 1, 2030. (SD1)	AGL, WAM
HB 1248, HD1 (SSCR823) Testimony Status	RELATING TO AGRICULTURAL LOANS. Reduces the new farmer program loan interest rate. Increases the loan limits and reduces the number of credit denials required to qualify for the program. Appropriates funds. Effective July 1, 2030. (HB1248 HD1)	AGL, WAM
HB 1277, HD2, SD1 (SSCR831) Testimony Status	MAKING AN APPROPRIATION FOR THE STATEWIDE AGRICULTURE WATER DEVELOPMENT STUDY. Makes an appropriation out of the agricultural development and food security special fund for the statewide agriculture water use and development study to be performed by the department of agriculture. Effective July 1, 2030. (SD1)	AGL, WAM

RELATING TO THE MOLOKAI IRRIGATION SYSTEM. HB 1483, HD1, SD1

Requires the Department of Agriculture to provide water at a reduced (SSCR861) rate to Molokai irrigation system users who lease tracts of land under **Testimony** 

section 207 of the Hawaiian Homes Commission Act, 1920, as amended. Requires the Department of Agriculture to forgive past due amounts owed by Molokai homestead farmers for irrigation water.

AGL/HWN, WAM

Appropriates funds to cover the operational costs of the Molokai irrigation system. Effective July 1, 2030. (SD1)

HB 1570, HD2, SD1 RELATING TO AGRICULTURE. AGL, WAM

Appropriates funds to reimburse livestock producers for feed costs. (SSCR832) Makes goat farmers with a herd of at least 25 lactating milking goats eligible for the livestock revitalization program. Effective July 1, **Testimony** 

2030. (SD1)

**Status** 

**Status** 

**Status** 

Status

**Testimony** 

**Status** 

**Status** 

HB 550, HD1, SD1 RELATING TO TELEVISION. CPN, WAM

Directs the auditor to analyze the allocation of cable operator franchise (SSCR853) fees to certain cable operators; to review past audits and reports of

financial, technical, and operational condition and ownership of 'Olelo **Testimony** Community Television; and to submit findings and recommendations

**Status** to the 2012 legislature. (SD1)

HB 798, HD1, SD1 RELATING TO TAXATION. CPN, WAM

Imposes the general excise tax on the gross income derived from a life (SSCR827)

settlement contract by a person unrelated to the insured. Effective July

**Testimony** 1, 2011. (SD1)

RELATING TO INSURANCE. CPN, WAM HB 1045, HD1, SD1

Updates the Insurance Code to adopt the revisions to the National (SSCR828) Association of Insurance Commissioners model laws and regulations

for risk-based capital trend test for property and casualty insurers **Testimony** required for accreditation. (SD1)

HB 1049, HD2, SD1 RELATING TO INSURANCE.

CPN, WAM

Updates the Insurance Code and related provisions. (SD1) (SSCR923)

RELATING TO PHYSICIAN WORKFORCE ASSESSMENT. CPN, WAM HB 1203, HD2, SD1

Removes the cap on expenditures from the John A. Burns school of (SSCR962) medicine special fund; specifies that the physician workforce assessment fee shall be used to support physician workforce **Testimony** 

assessment in collaboration with residency programs in this State and the Hawaii medical board to address specified issues; requires annual

report to the legislature. Effective 7/1/2030. (SD1)

HB 1411, HD2, SD1

RELATING TO MORTGAGE FORECLOSURES.

CPN, WAM

(SSCR985)

**Testimony** 

**Status** 

Authorizes the conversion of nonjudicial power of sale foreclosures to judicial foreclosures in certain cases; authorizes recordation of notice of default and intent to foreclose; specifies allowable locations for public auction of foreclosed properties; specifies prohibited conduct; requires suspension of actions by junior lienholders during the pendency of foreclosure; provides that violations of chapter 667 by foreclosing mortgagees shall be unfair and deceptive trade practices; prohibits deficiency judgments after nonjudicial foreclosure; specifies that the interest of a mortgagor is extinguished upon recordation of affidavit of sale; imposes requirements for mortgage servicers including physical presence within the State; creates dispute resolution process for nonjudicial foreclosures; creates dispute resolution special fund; creates requirements for notice of default; makes conforming

HB 301, SD1

RELATING TO THE JUDICIARY COMPUTER SYSTEM SPECIAL

amendments; makes appropriation. Effective 7/1/2050. (SD1)

EDT/JDL, WAM

FUND. (SSCR953)

Directs into the JCSSF fees collected for electronic document certification, electronic copies of documents, and for providing bulk **Testimony** access to electronic court records and compilations of data. Effective **Status** 

July 1, 2050. (SD1)

HB 306, HD1, SD1

RELATING TO TAXATION.

EDT, WAM

Amends the method of computing the estate and transfer tax, (SSCR924) generation-skipping transfer tax, and the estate tax for noncitizens.

Effective July 1, 2030. (SD1) **Testimony** 

Status

HB 324, HD2, SD1 RELATING TO HISTORIC PRESERVATION. EDT/WLH, WAM

Part I establishes the South Kona Wilderness Area to be administered (SSCR972) by the department of land and natural resources; part II authorizes the legislature to designate a contiguous geographical area in the State as a **Testimony** historical district, and establishes the West Oahu historical district. **Status** 

Effective July 1, 2030. (SD1)

HB 526, HD1, SD1

RELATING TO HIGH TECHNOLOGY.

EDT, WAM

Requires the department of business, economic development, and (SSCR975) tourism and the high technology development corporation to plan for a **Testimony** 

high technology park or technology incubator facility on Oahu.

Appropriates funds. Effective July 1, 2112. (SD1) **Status** 



HB 678, HD3, SD1

(SSCR919)

**Testimony** 

**Status** 

RELATING TO INFORMATION.

Requires a government agency that maintains personal information systems to include mandatory training programs for agency personnel; requires a business that maintains personal information to implement an information security program; adds a definition of "credit reporting agency"; amends the definition of "security breach" to include inadvertent, unauthorized disclosure of unencrypted or unredacted records or data containing personal information; requires a notice of security breach to include toll-free contact telephone numbers and addresses for the major credit reporting agencies; requires a government agency to submit a written report to the information privacy and security council within twenty days after discovery of a security breach; requires the information privacy and security council to be responsible for coordinating the implementation of security breach guidelines by government agencies; includes a victim of a security breach to those residents entitled to free security freeze services; appropriates unspecified funds for the information privacy and security council for positions and security tools. Effective 7/1/2050. (SD1)

EDT/CPN/JDL, WAM

HB 782, HD2, SD1

(SSCR946)

**Testimony** 

Status

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM.

Establishes the department of business, economic development, and tourism operation special fund to support operations. Imposes a temporary surcharge on certain fees charged by certain departments for deposit into the fund. Effective July 1, 2050. (SD1)

HB 828, HD2, SD1

(SSCR952)

**Testimony** 

**Status** 

RELATING TO TAXATION.

Clarifies violations of record and receipt requirements. Limits fines for violation if person is otherwise in compliance with tax laws to a level commensurate with the violation, as determined by the department in accordance with rules adopted under chapter 91. Effective January 7, 2059. (SD1)

HB 983, HD2, SD1

(SSCR973)

**Testimony** 

**Status** 

HB 986, HD2, SD1

(SSCR974)

**Testimony** 

**Status** 

RELATING TO THE HAWAII STRATEGIC DEVELOPMENT CORPORATION.

Amends the Hawaii strategic development corporation provisions related to tax credits. Effective July 1, 2112. (SD1)

RELATING TO TELEVISION AND FILM PRODUCTION.

Requires the department of business, economic development, and tourism to establish and collect a surcharge for each film permit application it processes; specifies that all surcharge revenues and other revenue sources are to be deposited into the Hawaii television and film development special fund; requires that revenues from the special fund are to be used to fund the creative industries division. Effective July 1, 2050. (SD1)

EDT/JDL, WAM

EDT, WAM

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EDT, WAM

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HB 1060, HD1, SD1

(SSCR811)

**Testimony** 

**Status** 

RELATING TO INFORMATION TECHNOLOGY.

RELATING TO THE GENERAL EXCISE TAX.

oversee the department of taxation's implementation and

Authorizes the chief information officer to employ persons not subject to chapters 76, 78, and 89, Hawaii Revised Statutes; transfers the shared services technology special fund from the department of budget and finance to the department of accounting and general services, specifies a percentage from special funds for deposit into the fund, and establishes a trust account in the fund; authorizes the chief information officer and comptroller to raise funds and accept donations for the fund; requires the chief information officer to submit annual reports; appropriates funds. Effective 7/1/2050. (SD1)

Adopts amendments to Hawaii tax laws to implement the streamlined

sales and use tax agreement; with section 32, creating a committee to

administration of, and compliance with the streamlined sales and use

tax agreement, to take effect on approval. Effective 7/1/2050. (SD1)

Requires the department of taxation to establish a system to allow

HB 1183, HD2, SD1

(SSCR978)

<u>Testimony</u>

**Status** 

HB 1300, HD2, SD1

(SSCR866)

**Testimony** 

Status

taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, or by optical means, with no additional cost to the taxpayer; lowers the threshold for any taxpayer required to remit taxes by one of the means of electronic funds transfer from \$100,000 to an unspecified amount in tax liability; reestablishes the filing and payment deadline of various taxes, including but not limited to quarterly filing requirements and the payment of periodic insurance premium taxes, to the last day of the month. Effective

7/1/2050. (SD1)

HB 1307, HD1, SD1

(SSCR867)

**Testimony** 

Status

HB 1308, HD2, SD1

(SSCR817)

**Testimony** 

**Status** 

RELATING TO TAXATION.

RELATING TO TAXATION.

Establishes a refundable ohana residential housing income tax credit for qualified taxpayers that purchase a qualified principal residence on or after 04/01/2011, and before 01/01/2013, that is payable to the qualified taxpayer in 2 equal installments over the immediately following 2 taxable years. Effective 7/1/2050. (SD1)

RELATING TO DIGITAL MEDIA.

Establishes digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones; establishes tax benefits for digital media infrastructure development and operation; repeals digital media enterprise subzones, the related infrastructure tax credit, and amendments regarding the income and uses of the Hawaii film office special fund on 6/30/2021; reestablishes the Hawaii film office special fund and the income and uses in effect prior to passage of this Act on 7/1/2021. Effective 7/1/2050. (SD1)

EDT, WAM

EDT, WAM

EDT, WAM

EDT/EDU, WAM

EDT, WAM

HB 1642, HD2, SD1

RELATING TO HIGH TECHNOLOGY.

EDT, WAM

EDU/PGM, WAM

EDU, WAM

EDU, WAM

EDU, WAM

EDU, WAM

EDU, WAM

(SSCR976)

Testimony

**Status** 

Requires a qualified high technology business that claims the tax credit for research activities to file annual survey information with the department of taxation by June 30 of each year; requires the department to report to the legislature by September 1 of each year on the information collected by the survey and the effectiveness of the tax

credit; extends the income tax credit for qualified research activities for five years. Effective July 1, 2050. (SD1)

HB 4, HD2, SD1

(SSCR945)

<u>Testimony</u>

**Status** 

RELATING TO THE INTERSTATE COMPACT ON

EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN. Makes permanent the interstate compact on educational opportunity for

military children. Deletes the definition of "test period". Deletes provisions relating to the furnishing of unofficial education records and principal's determination of available space. Clarifies military

representation on state council on educational opportunity for military

children within BOE. (SD1)

HB 159, HD1, SD1 (SSCR987)

**Testimony** 

Status

RELATING TO CHARTER SCHOOLS.

Raises the percentage of the annual charter school fund allocation that the charter school administrative office may withhold for operational expenses from two per cent to five per cent; provided that the charter

school administrative office report annually to the legislature on the use of these fund. Clarifies the duties and responsibilities of the charter school review panel and local school boards. Effective

7/1/2050. (SD1)

HB 773, HD1, SD1

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE

(SSCR968) REVENUE BONDS FOR SAINT LOUIS SCHOOL.

Authorizes the issuance of special purpose revenue bonds for Saint

<u>Testimony</u> Louis School. (SD1)

**Status** 

HB 945, HD2, SD1 RELATING TO EDUCATION.

(SSCR967) Delays the required increases and plan for increases in instructional time pursuant to section 302A-251, HRS, and section 4 of Act 167, Session Laws of Hawaii 2010 (Act 167). Exempts multi-track public

<u>Testimony</u> Session Laws of Hawaii 2010 (Act 167). Exempts multi-track publ schools from Act 167. Includes reporting requirements. (SD1)

**Status** 

HB 953, HD2 RELATING TO EDUCATION.

(SSCR947) Changes the salary cap for the deputy superintendent, assistant

superintendents, and complex area superintendents from eighty percent of the superintendent's salary to the superintendent's salary. Effective

Status July 1, 2030. (HB953 HD2)

HB 1056, HD1, SD1

RELATING TO THE CERTIFICATION OF PRINCIPALS AND

(SSCR944) VICE-PRINCIPALS.

Amends section 302A-605, Hawaii Revised Statutes, to permit the Department of Education to determine alternative routes to

Status certification for principals and vice-principals. (SD1)



HB 1313, HD2, SD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE EDU, WAM

(SSCR966) REVENUE BONDS TO ASSIST WINDWARD NAZARENE ACADEMY.

Testimony Authorizes the issuance of special purpose revenue bonds for

Status Windward Nazarene Academy. (SD1)

HB 1322, HD2, SD1 RELATING TO CERTAIN FUNDS OF THE UNIVERSITY OF EDU, WAM

(SSCR920) HAWAII.

Converts certain revolving funds of the University of Hawaii into special funds. Repeals certain funds of the University of Hawaii and

Status transfers the remaining balances to specified alternate funds. Effective

on July 1, 2050. (SD1)

HB 1330, HD1, SD1 RELATING TO THE HAWAII TOBACCO SETTLEMENT EDU/HTH, WAM

(SSCR964) SPECIAL FUND.

Extends the appropriation by a decreasing annual amount of a portion of Hawaii tobacco settlement special fund moneys for annual operating expenses of JABSOM until June 30, 2015. Increases the portion of Hawaii tobacco settlement special fund moneys going to the general

fund until June 30, 2015. Adds annual reporting requirements for JABSOM. Effective 6/29/2011. Repeals 6/30/2015. (SD1)

HB 1540 RELATING TO EDUCATION. EDU, WAM

(SSCR965) Makes permanent statutory provisions that: (1) reduced the maximum employment period for teachers hired on an emergency basis by DOE

Testimony from 4 years to 3 years; and (2) require those unlicensed teachers hired on an emergency basis prior to 7/1/08, to attain licensure within 4

Status years from the date of employment.

HB 423, HD1, SD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE ENE, WAM

(SSCR892) REVENUE BONDS.

Authorizes issuance of special purpose revenue bonds for Carbon Bio-Testimony Engineers, Inc., for development of non-fossil fuel energy production.

Status (SD1)

HB 786, HD2, SD1 RELATING TO SOLID WASTE. ENE, WAM

(SSCR914) Increases the solid waste management surcharge. Effective July 1,

2050. (SD1)

Testimony

**Status** 

**Status** 

HB 855, HD1, SD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE ENE, WAM

(SSCR893) REVENUE BONDS TO ASSIST PACIFIC POWER AND WATER COMPANY, INC., IN THE DEVELOPMENT OF HYDROPOWER

Testimony FACILITIES IN HAWAII.

Status Authorizes the issuance of special purpose revenue bonds to assist Pacific Power and Water Company, Inc. with the planning, permitting,

designing, construction, equipping, and operating hydropower facilities

throughout the State. (SD1)

HB 1015, HD1 MAKING AN EMERGENCY APPROPRIATION OUT OF THE ENE/HWN, WAM

(SSCR801) BROWNFIELDS CLEANUP REVOLVING LOAN FUND.

Making an emergency appropriation to DBEDT for the brownfields

Testimony cleanup revolving loan fund. (HD1)

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HB 1019, HD1, SD1 RELATING TO SUSTAINABILITY.

Authorizes the revision of allocation from the Environmental Response, Energy, and Food Security Tax. Extends the existence of

ENE/AGL, WAM

ENE, WAM

Testimony the Climate Change Task Force until 6/30/13. (SD1)

**Status** 

(SSCR917)

HB 1286, HD2, SD1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST BIOENERGY HAWAII, LLC.

(SSCR931)

Authorizes the issuance of special purpose revenue bonds to assist

Testimony

BioEnergy Hawaii, LLC, establish a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both. Percels Act 110. Session Laws of Hawaii 2000, authorizing

both. Repeals Act 110, Session Laws of Hawaii 2009, authorizing special purpose revenue bonds to assist BioEnergy Hawaii. (SD1)

HB 70, HD2, SD1 RELATING TO THE HOMELESS. HMS, WAM

(SSCR897) Establishes the return-to-home program to assist eligible homeless individuals return to their home state if there is a support network available and the support network is able to receive them.

Status Appropriates funds. Effective July 1, 2030. (SD1)

HB 160, HD2, SD1 RELATING TO HUMAN SERVICES AND HEALTH. HMS, WAM

Appropriates funds for the kupuna care program. Appropriates moneys from the emergency and budget reserve fund to maintain funding levels of programs for public health, safety, welfare, and

Status education. (SD1)

HB 326, HD1, SD1 RELATING TO HEALTH. HMS, WAM

Provides for telehealth services coverage for medicaid and QUEST patients using Kona hospital's medical van program. Establishes the Hawaii patient centered health home pilot program. Establishes the Hawaii medicaid modernization and innovation council to design and

implement the program. Council ceases to exist on 6/30/13. Effective

07/01/2050 and repeals 06/30/2013. (SD1)

HB 404, HD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE HMS, WAM

(SSCR845) REVENUE BONDS TO ASSIST PALOLO CHINESE HOME AND ITS SUBSIDIARIES.

Testimony
Authorizes the issuance of special purpose revenue bonds to assist
Palolo Chinese Home in financing the capital costs related to the

<u>Status</u> expansion, construction, and rebuilding of its health care facilities.

Effective July 1, 2030. (HB404 HD1)

HB 569, HD1, SD1 RELATING TO MEDICAID. HMS/HTH, WAM

(SSCR900) Creates a wellness pilot program within medicaid; appropriates funds. Establishes a joint legislative task force to examine issues relating to

<u>Testimony</u> medicaid. Effective 7/1/2050. (SD1)

HB 594, HD2, SD1 RELATING TO HEALTH. HMS, WAM

(SSCR849) Appropriates funds to the Department of Human Services to match the federal disproportionate share hospital allowance allocated to the State.

<u>Testimony</u> Effective July 1, 2030. (SD1)

Effective striy 1, 2030. (BD1

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**Status** 

**Status** 

HB 596, HD1, SD1

RELATING TO HEALTH.

HMS, WAM

HMS, WAM

(SSCR848)

Creates presumptive medicaid eligibility for waitlisted patients. Requires DHS to conduct a study on a computerized medicaid applications system. Appropriates funds for reimbursement of certain **Testimony** 

services. Repeals July 1, 2016. Effective July 1, 2030. (SD1)

**Status** 

HB 758, HD1, SD1

AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR THE (SSCR846) VOCATIONAL REHABILITATION AND SERVICES FOR THE

**Testimony** BLIND DIVISION.

Appropriates funds for the department of human services, vocational Status rehabilitation and services for the blind division to upgrade equipment

and facilities for the Hoopono program. Effective July 1, 2050. (SD1)

HB 916, SD1

**Status** 

**Testimony** 

RELATING TO FUNDING FOR PARKING FOR DISABLED

PERSONS. (SSCR963)

Creates an accessible parking special account within the disability and communication access board special fund. Increases the state vehicle registration fee by \$1, to be deposited into the accessible parking special account; excess funds to be transferred to the state highway

fund at the end of each fiscal year. Requires all costs associated with the statewide parking program for persons with disabilities to be appropriated from the accessible parking special account beginning

July 1, 2012. (SD1)

HB 879, HD1, SD1 (SSCR961)

**Testimony** 

RELATING TO MORTGAGE FORECLOSURES.

Authorizes a planned community association or a condominium association to pursue nonjudicial foreclosure for outstanding liens; allows an association to acquire a unit through credit bidding at auction; specifies allocation of excess rental income; authorizes

planned community associations to resolve disputes involving liens subject to foreclosure through alternative dispute resolution; specifies notice requirements; prohibits foreclosure of a junior lien during the

pendency of foreclosure on a mortgage. (SD1)

CPN, WAM [Measure deleted

on 03-29-11]

HMS/TIA, WAM

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

# Persons wishing to offer written comments may do so in one of the following ways by 4:00 p.m. the day prior to the hearing:

- By Email: Email if less than 5 pages in length, to Committee at WAMTestimony@Capitol.hawaii.gov. Please indicate the measure, date and time of the hearing. Email sent to individual office or any other Senate office will not be accepted.
- By Web: Online if less than 4MB in size, at http://www.capitol.hawaii.gov/emailtestimony.
- In person: One copy of comments to the Committee Clerk, Room 211, State Capitol.
- By fax: Fax 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 are being submitted and the date and time of the hearing.

Please note: If you submit your written comments after 4:00 p.m. the day prior to the hearing, a copy of your comments may not be available during the hearing but will be posted online after the hearing.

<u>Please note: All comments received by the Hawaii Senate will be posted on the Hawaii Legislature's will be posted on the Hawaii Legislature's Website. Documents made available through the hyperlink (s) above may not be posted until the start of the hearing.</u>

**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.

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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.

