

THIRTY-EIGHTH DAY

Friday, March 23, 2012

The House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2012, convened at 12:09 o'clock p.m., with Speaker Say presiding.

The invocation was delivered by Pastor Brad Smith of Makiki Christian Church, after which the Roll was called showing all Members present with the exception of Representatives Awana and Herkes, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Thirty-Sixth and Thirty-Seventh Days was deferred.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 422 through 425) were received and announced by the Clerk:

Sen. Com. No. 422, transmitting H.B. No. 2573, HD 1, entitled: "A BILL FOR AN ACT RELATING TO APPRENTICESHIP," which passed Third Reading in the Senate on March 22, 2012.

Sen. Com. No. 423, transmitting H.B. No. 2576, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW," which passed Third Reading in the Senate on March 22, 2012.

Sen. Com. No. 424, dated March 22, 2012, informing the House that the Senate has disagreed to the amendments proposed by the House to the following Senate Bill:

S.B. No. 2508, SD 2, HD 1

Sen. Com. No. 425, dated March 22, 2012, informing the House that the Senate has on March 21, 2012, agreed to the amendments proposed by the House to the following Senate Bill and that said bill has this day passed Final Reading:

S.B. No. 3024, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CORPORATIONS."

INTRODUCTIONS

The following introductions were made to the Members of the House:

Representative Pine introduced her grandmother, Mrs. Alionora Marcos; and her brother, Mr. Kawika Pine.

Representative Har introduced Ms. Courtney Ketzenberger, a senior at Island Pacific Academy, volunteering in her office during her spring break. She was accompanied by Legislative Aide, Mr. Ronson Dela Pina.

ORDER OF THE DAY

REPORTS OF STANDING COMMITTEES

At this time, the Chair announced:

"Members, we have a total of 31 pages, which equates to approximately one hundred and twenty something measures for Second Reading. One of our distinguished Members has a speaking engagement up at the East-West Center. And Members of our Neighbor Island delegation want to get on home for the three-day weekend. So can we surmise to say that we can do the 31 pages in 45 minutes, and finish by 1:00 o'clock?"

Representative Nishimoto, for the Committee on Higher Education presented a report (Stand. Com. Rep. No. 1195-12) recommending that S.B. No. 2182, HD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2182, HD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure. SB 2182, HD 1 would make permanent the assessment and deposit of the Hawaii State Center for Nursing ("HSCFN") fees into the compliance resolution fund and distribution of those funds to the credit of the HSCFN special fund.

"In 2003, the Legislature passed Act 198, to create the Hawaii State Center for Nursing. The Center was given the mandate to collect and analyze data, and make recommendations regarding the current status and trends of the nursing workforce; conduct research in best practices and quality outcomes; develop a plan for implementing strategies to recruit and retain nurses; and research, analyze and report data related to the retention of the nursing workforce.

"We can see in the work that the Center for Nursing has produced that they have very ably done what was asked of them. The data and evidence collected by the Hawaii State Center for Nursing is invaluable in making workforce, policy and resource decisions. The HSCFN should be continued as it has become a leader in workforce planning, nursing research, and professional practice in the State. Stakeholders recognize the HSCFN as the source of reliable information regarding existing and emerging trends in nursing. The repeal of the Center fees would in essence cause the demise of the HSCFN as the fee is its main source of funding.

"I support the bill, but not the defective date."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2182, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CENTER FOR NURSING," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Nishimoto, for the Committee on Higher Education presented a report (Stand. Com. Rep. No. 1196-12) recommending that S.B. No. 2584, SD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2584, SD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Takai rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I ask for a ruling on a potential conflict. I'm a member of the Hawaii Army National Guard and this measure will allow me to partake in the Tuition Assistance. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2584, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TUITION ASSISTANCE," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Nishimoto, for the Committee on Higher Education presented a report (Stand. Com. Rep. No. 1197-12) recommending that S.B. No. 3071, SD 2, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 3071, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 1198-12) recommending that S.B. No. 2506, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2506, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL IDENTIFICATION," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Souki and Aquino, for the Committee on Transportation and the Committee on Public Safety & Military Affairs presented a report (Stand. Com. Rep. No. 1199-12) recommending that S.B. No. 2877, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2877, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS FIREBOAT," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 1200-12) recommending that S.B. No. 2810, SD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2810, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT EXEMPTION FOR DOMESTIC SERVICES AUTHORIZED BY THE DEPARTMENT OF HUMAN SERVICES," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 1201-12) recommending that S.B. No. 2833, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2833, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT EXEMPTION FOR DOMESTIC SERVICES FOR PERSONS WITH DEVELOPMENTAL AND INTELLECTUAL DISABILITIES," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 1202-12) recommending that S.B. No. 2750, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2750, SD 1, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Johanson rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Cullen rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takumi rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2750, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 1203-12) recommending that S.B. No. 2310, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2310, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 1204-12) recommending that S.B. No. 223, SD 1, pass Second Reading and be referred to the Committee on Judiciary.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 223, SD 1, pass Second Reading and be referred to the Committee on Judiciary, seconded by Representative Evans.

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 223 SD1, which is a Women's Caucus measure relating to domestic abuse orders. This bill requires a police officer to impose a 24-hour no contact period when there are "reasonable grounds to believe" that harm was inflicted and that there is probable danger of further harm to the family or household member.

"SB223 SD1 is needed to address the gaps in the current system and help ensure the safety of domestic violence survivors. Calling the police can be very dangerous for domestic violence survivors. Once the police leave, the survivors are often left alone with the abuser, who may retaliate and escalate the violence. However, in circumstances when the no contact order has been issued by police, it has been successful in preventing further domestic violence. It denies the person doing the harm access to the victim, and gives the victim essential time to seek refuge and get to safety.

"This bill will provide victims of domestic violence greater protection against their abusers. Protection that is essentially necessary and valuable on evenings, weekends, and holidays when there is limited access to seek temporary restraining orders or other relief from the court system.

"I urge my fellow Members to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 223, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE ORDERS," passed Second Reading and was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 1205-12) recommending that S.B. No. 2803, SD 2, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2803, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CONTRACT PROPOSALS FOR CHILD CARE," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1206-12) recommending that S.B. No. 2760, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2760, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1207-12) recommending that S.B. No. 2655, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2655, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition. I'll be very brief, and would cancel my speech before I not say no to this one with a couple of comments. Yesterday, we had job creation bill number 1. This is job killer, business killer number 1. Because Mr. Speaker, as I said so many times, this is the phone that I have with \$7 a month insurance for. And we're asking the carrier to provide this insurance, with \$2 thousand to get a license to sell me this. This is an interruption of business, of commerce. It's not good, sound policy, and I'm going to vote no continually."

Representative Marumoto rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Riviere rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Johanson rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2655, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PORTABLE ELECTRONICS

INSURANCE," was referred to the Committee on Finance, with Representatives Ching, Fontaine, Johanson, Marumoto, Pine, Riviere, Thielen and Ward voting no, and with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1208-12) recommending that S.B. No. 2168, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2168, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1209-12) recommending that S.B. No. 2981, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2981, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Thielen rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2981, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," was referred to the Committee on Finance, with Representative Thielen voting no, and with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1210-12) recommending that S.B. No. 2765, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2765, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE COMPANIES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1211-12) recommending that S.B. No. 2436, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2436, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUG," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1212-12) recommending that S.B. No. 2106, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2106, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1213-12) recommending that S.B. No. 2084, SD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2084, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1214-12) recommending that S.B. No. 2766, SD 2, HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2766, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENTITIES REGULATED BY THE INSURANCE COMMISSIONER," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1215-12) recommending that S.B. No. 2748, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2748, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1216-12) recommending that S.B. No. 2858, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2858, SD 1, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

At 12:22 o'clock p.m., Representative Thielen requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:22 o'clock p.m.

Representative Thielen rose, stating:

"Thank you, Mr. Speaker. The pace was quite rapid, and I wanted to just have our Caucus members have a chance to speak on this measure. I'm going to defer to the Minority Leader."

Representative Ward rose to speak in opposition to the measure, stating:

"Yes, Mr. Speaker. I rise in opposition with brief comments. Mr. Speaker, this is an anti-transparency measure that the Governor is bringing to us. I think we shouldn't carry his water, given that he's made secretive Executive Orders. He's not revealed the names of the Judiciary. It seems to be a thematic, if you will, to keep the public access to information minimized. And this does this without whatever good that it's going to do. I have not seen, nor heard, and to vote for this as a closed government and transparency just doesn't make sense. Thank you, Mr. Speaker."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"A vote with reservations, and I'll take a look at it in the next Committee."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on SB 2858, relating to judicial reviews regarding the Sunshine Law. While I am supportive of a streamlined process to appeal decisions made by the Office of Information Practices in reviewing State agency procedures, I am concerned that these review processes may reduce transparency by creating unnecessary or cumbersome regulations that make it more challenging for the public to gain an understanding of the state agencies and their procedures. For these reasons, I stand with reservations on the measure before us."

Representative Ching rose in support of the measure with reservations and asked that Ching's written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on S.B. 2858 SD1 HD1 – Relating to Open Government. This bill would create a process for an agency to obtain judicial review of a decision made by the Office of Information Practices relating to the Sunshine Law or the Uniform Information Practices Act, and clarify standard of review.

"Mr. Speaker, while this measure attempts to ensure an increased accountability and transparency, I would like to echo the words provided by Mr. Douglas S. Chin, Managing Director for the City and County of Honolulu, on his testimony dated March 16, 2012:

This measure unduly restricts the rights of agencies to appeal advisory opinions issued by the Office of Information Practices ("OIP"), without affording any process for agencies to present facts and arguments in support of their position. We believe the bill does not give proper weight to the privacy and public policy interests recognized in statute that limit the application of the Sunshine Law and the Uniform Information Practices Act.

"Thank you."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2858, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO OPEN GOVERNMENT," passed Second Reading and was referred to the Committee on Finance, with Representatives Pine and Ward voting no, and with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1217-12) recommending that S.B. No. 2950, SD 2, HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2950, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS FOR THE HONOLULU FAMILY JUSTICE CENTER," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1218-12) recommending that S.B. No. 2493, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2493, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1219-12) recommending that S.B. No. 2304, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2304, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2304, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO RIGHTS OF THE ACCUSED," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1220-12) recommending that S.B. No. 2842, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2842, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL ACTIONS FOR DISCRIMINATORY PRACTICES IN REAL PROPERTY TRANSACTIONS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Takumi and Mizuno, for the Committee on Education and the Committee on Human Services presented a report (Stand. Com. Rep. No. 1221-12) recommending that S.B. No. 2545, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2545, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1222-12) recommending that S.B. No. 2800, SD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2800, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EXEMPTIONS FROM CHILD CARE LICENSING," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1223-12) recommending that S.B. No. 2828, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2828, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EARLY INTERVENTION COORDINATING COUNCIL," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1224-12) recommending that S.B. No. 2540, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2540, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Wooley, for the Committee on Culture & the Arts presented a report (Stand. Com. Rep. No. 1225-12) recommending that S.B. No. 2399, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2399, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO URBAN ART," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1226-12) recommending that S.B. No. 2030, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2030, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Johanson rose to speak in support of the measure with reservations, stating:

"I wish to register my reservations. And a brief comment. I just think that this potentially expands the scope beyond what is reasonable. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2030, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1227-12) recommending that S.B. No. 2226, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2226, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Nishimoto rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, thank you for giving me those extra two seconds. I actually realized that this is the biggest tax increase, probably, for the people of Hawaii. Because it's a roll of the internet tax, into a different bill of which I didn't recognize until I researched it.

"So this is a no vote, this is another way, I know, of collecting the Use Tax, which if it was tried to pass in the House today, would never be passed because it wasn't implementable when it was passed decades ago. And now we're sneaking it up, saying we want to tax the internet."

Representative Johanson rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2226, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Ching, Hanohano, Johanson, Nishimoto, Thielen, Ward and Wooley voting no, and with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1228-12) recommending that S.B. No. 2238, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2238, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1229-12) recommending that S.B. No. 2457, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2457, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1230-12) recommending that S.B. No. 2845, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2845, SD 1, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I think this is not a good bill. I rise in opposition. I think it will increase the cost of medical care, services and supplies under workers' comp, and drive up the premiums that businesses have to pay. There is a need, yes, for the Director to make the operation of the Disability Compensation Division more efficient. However, employers should be able to review the treatment plan to determine if the plan is reasonable or necessary. A review of a surgery, proposed surgery, under the thirty-day limit, is almost impossible.

"When surgery is proposed, the Director should be able to review evidence from both sides to make an informed decision. Any sort of

treatment proposed, should be able to be looked at by employers. Without a hearing, the Director just doesn't have the information to make an informed decision. This bill would encourage the submission and approval of unreasonable and unnecessary treatment plans to maximize the revenue of attending physicians and related medical providers and entities.

"The cost of medical care, services, and supplies will increase, thereby increasing premium costs, hurting businesses in our tough economy. Any rendered treatment, including surgery and narcotic drugs may be harmful to the injured worker, and lead to further disability or addiction. I think we should be very careful about moving this bill out, and so I would ask that concerned people vote no. Thank you."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations on S.B. 2845 SD1 HD2 – Relating to medical benefits under the workers' compensation law. This bill would allow for the Director of Labor and Industrial Relations to make a decision on disputes regarding treatment plans and continued medical services without a hearing, but would require a decision within 30 days of the filing of a dispute.

"Mr. Speaker, I support ensuring that an injured employee's medical care in workers' compensation-related cases help the injured worker return to work, but this particular measure poses anti-employer consequence, as it may provide the Director of Labor and Industrial Relations the ability to make decisions regarding workers' compensation cases without the refutation of the employer. Enabling a decision to be made without the recourse of both parties involved may pose a disadvantage to the defending party of the claim, and/or room for falsified information to succeed in a hearing. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2845, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL BENEFITS UNDER THE WORKERS' COMPENSATION LAW," was referred to the Committee on Finance, with Representative Marumoto voting no, and with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1231-12) recommending that S.B. No. 2804, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2804, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2804, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII INTERAGENCY COUNCIL ON HOMELESSNESS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1232-12) recommending that S.B. No. 2740, SD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2740, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1233-12) recommending that S.B. No. 2009, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2009, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1234-12) recommending that S.B. No. 2568, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2568, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOMELESS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1235-12) recommending that S.B. No. 2116, SD 2, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2116, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1236-12) recommending that S.B. No. 2534, SD 2, as amended in HD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2534, SD 2, HD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2534, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL FACILITIES," was referred to the Committee on Finance, with Representatives Hanohano and Wooley voting no, and with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1237-12) recommending that S.B. No. 2528, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2528, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2528, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Takumi, for the Committee on Education presented a report (Stand. Com. Rep. No. 1238-12) recommending that S.B. No. 2994, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2994, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Kawakami rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm going to have reservations, but I just wanted to thank the Chair of Education for removing the bad parts of the bill, and to let this go forward. My reservations are just that I want to make sure that the bill stays in its present form rather than going back to the original. Thank you."

Representative Cullen rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative M. Lee rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker, first I may have a ruling on a potential conflict? I'm a charter member of the Friends of the Mililani Public Library for 25 years. And I am a member of the Board of the Friends of the Mililani Public Library," and the Chair ruled, "no conflict."

Representative M. Lee continued to speak in support of the measure with reservations, stating:

"I'd like to speak in support with some concerns. My concerns are the same as those of Representative Thielen."

Representative Yamane rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative McKelvey rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2994, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE LIBRARIES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Takumi and Rhoads, for the Committee on Education and the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 1239-12) recommending that S.B. No. 2115, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2115, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Yamane, for the Committee on Health presented a report (Stand. Com. Rep. No. 1240-12) recommending that S.B. No. 417, SD 2,

as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 417, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Yamane, for the Committee on Health presented a report (Stand. Com. Rep. No. 1241-12) recommending that S.B. No. 2013, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2013, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL HYGIENISTS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative Herkes being excused.

Representative Yamane, for the Committee on Health presented a report (Stand. Com. Rep. No. 1242-12) recommending that S.B. No. 2332, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2332, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Yamane, for the Committee on Health presented a report (Stand. Com. Rep. No. 1243-12) recommending that S.B. No. 3039, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 3039, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANATOMICAL TRANSPLANTS," passed Second Reading and was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representatives Yamane and Mizuno, for the Committee on Health and the Committee on Human Services presented a report (Stand. Com. Rep. No. 1244-12) recommending that S.B. No. 2126, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2126, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Yamane and Mizuno, for the Committee on Health and the Committee on Human Services presented a report (Stand. Com. Rep. No. 1245-12) recommending that S.B. No. 2227, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2227, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Yamane and Mizuno, for the Committee on Health and the Committee on Human Services presented a report (Stand. Com. Rep. No. 1246-12) recommending that S.B. No. 2536, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that S.B. No. 2536, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Awana rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker, strong support."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2536, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CLEAN AND SOBER HOMES AND HALFWAY HOUSES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Yamane and Mizuno, for the Committee on Health and the Committee on Human Services presented a report (Stand. Com. Rep. No. 1247-12) recommending that S.B. No. 2466, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2466, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Yamane and Mizuno, for the Committee on Health and the Committee on Human Services presented a report (Stand. Com. Rep. No. 1248-12) recommending that S.B. No. 2320, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that S.B. No. 2320, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of SB 2320 SD2 HD1, Relating to Aging. The purpose of this measure is to build a statewide system of support for Hawaii's older adults and their caregivers by establishing the Kupuna Care Program and provides funding support for the healthy aging partnership programs such as Better Choices, Enhance Fitness. This bill builds and strengthens a statewide system to provide affordable and quality home and community-based services for adults who are sixty years or older and their family caregivers.

"Important components of Hawaii's aging addressed by programs in the bill including: access to information; affordable home and community based services, social and civic engagements for retired seniors, ensuring safety for people with Alzheimer's dementia related diseases, and promoting healthy aging through the Healthy Aging Partnership program.

"The Kupuna Care Program has been providing essential services for Hawaii's seniors since 1999, and is Hawaii's only State funded home and community based services programs for older adults who do not qualify for other government or private assistance. Currently Hawaii residents aged 60 years or older constitute 18.7% of the population and data suggests that this numbers who will increase substantially in the future. The explosive growth of older adults demands a strong infrastructure to address their growing needs. I urge the Members' support."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2320, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Aquino, for the Committee on Public Safety & Military Affairs presented a report (Stand. Com. Rep. No. 1249-12) recommending that S.B. No. 2397, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2397, SD 1, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2397, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FIRE SPRINKLERS," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Aquino, for the Committee on Public Safety & Military Affairs presented a report (Stand. Com. Rep. No. 1250-12) recommending that S.B. No. 2866, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2866, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPREHENSIVE OFFENDER REENTRY SYSTEM," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Aquino, for the Committee on Public Safety & Military Affairs presented a report (Stand. Com. Rep. No. 1251-12) recommending that S.B. No. 2101, SD 1, HD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2101, SD 1, HD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Pine rose to disclose a potential conflict of interest, stating:

"Yes, I'd like to declare a potential conflict. I am a recipient of the TRICARE Program," and the Chair ruled, "no conflict."

Representative Takai rose to disclose a potential conflict of interest, stating:

"Same request, Mr. Speaker," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2101, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRICARE PROGRAM," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Aquino, for the Committee on Public Safety & Military Affairs presented a report (Stand. Com. Rep. No. 1252-12) recommending that S.B. No. 2865, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2865, entitled: "A BILL FOR AN ACT RELATING TO DEPARTMENT OF PUBLIC SAFETY FEDERAL REIMBURSEMENT MAXIMIZATION SPECIAL FUND," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Aquino and Souki, for the Committee on Public Safety & Military Affairs and the Committee on Transportation presented a report (Stand. Com. Rep. No. 1253-12) recommending that S.B. No. 2518, SD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2518, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR AND OTHER VEHICLES," passed Second Reading and was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representative Hanohano, for the Committee on Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1254-12) recommending that S.B. No. 2268, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2268, entitled: "A BILL FOR AN ACT RELATING TO QUEEN LLIUOKALANI," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Hanohano, for the Committee on Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1255-12) recommending that S.B. No. 2305, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2305, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO OCEAN RESOURCES," passed Second Reading and was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representative Hanohano, for the Committee on Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1256-12) recommending that S.B. No. 2001, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2001, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Hanohano, for the Committee on Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1257-12) recommending that S.B. No. 3016, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 3016, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Tsuji and McKelvey, for the Committee on Agriculture and the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1258-12) recommending that S.B. No. 2341, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Representative Chong moved that the report of the Committees be adopted, and that S.B. No. 2341, SD 2, HD 1, pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources, seconded by Representative Evans.

Representative C. Lee rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I would like to cast a no vote, and then request to have some remarks placed in the Journal. Thank you, Mr. Speaker. I do want to disclose that the remarks that will be placed into the Journal were drafted by the Agricultural Liaison for the Mayor's Office who happens to be Laura Thielen, my daughter, and I wanted to disclose that to you. She details how this bill and another bill that is yet to come before us can really do great damage to our agricultural lands and to our efforts as a State to become food self-sufficient.

"I would hope that Members would take these remarks into account. I'd be glad to provide them personally to anyone that wants them as well, but I

believe that they have gone out fully to the Water, Land Committee and the Agriculture Committee.

"Mr. Speaker, you know, we're doing such a push to try to say we want to become self-sufficient. We want to help our farmers. We want to encourage more young people to enter into the field of farming. And then at the same time, we're taking actions like this that are going to reduce the number of farms, and price that land out of reach of any of the new young families that want to enter into that field, because they'll be used for tourism. I know there's a limit on the bill, on population, but those things have a way of disappearing with future Legislatures. So I would say that this is a smoking gun, pointed at Oahu as well. Thank you."

Representative Thielen submitted the following:

"Aloha Representatives,

Two bills that your Committee is poised to hear will eradicate a huge amount of high quality farmland, make it nearly impossible to increase local agriculture, and will transform large amounts of the agricultural district into a rural tourism district.

SB 2341 allows vacation rentals on agricultural lands, including the highest production lands. Even worse, vacation rentals can be the primary use, no farming is required.

SB 2350 doubles the number of houses permitted on agricultural lots with one ohana dwelling for each farm dwelling.*

If these bills pass, the number of houses built on agricultural lands will dramatically increase and agricultural lots will be priced for their vacation rental value, not their farming potential.

The expansion of tourism has already transformed other areas, like Windward Oahu. The density of some communities doubled when ohana units were allowed. The vacation rental market dominates many neighborhoods, affecting home prices.

Nearly 16,000 acres of farmland on Oahu's North Shore are being marketed for great views or access to the ocean. These qualities aren't relevant to farming; they're relevant to tourism. The bill permitting vacation rentals as a primary use will destroy any ability to assure these lands remain available for agricultural production.

The price of Oahu farmland is nearly out of reach for food farms today. These bills will make it impossible for food farms to operate. The vast majority of Oahu's food is grown on rented land. Will landlords force farms to close when neighboring vacation rentals complain about noise, or when they realize they can increase their rental income by transforming all or some of the property to vacation rentals?

The Department of Agriculture, Office of Planning, and City and County of Honolulu have all testified against these bills and the Farm Bureau has raised serious concerns.

Our Constitution requires the State to assure the availability of agricultural lands for agriculture. The law requires directing non-agricultural uses away from the best farmland. Several bills before the Legislature this session support increasing local food production.

How is it that the Legislature on one hand says it supports agriculture, but on the other hand takes action to pass laws that will transform the agricultural district into the rural tourist district?

The Senate unanimously passed both bills. They have passed several House Committees, and are now at the House Committee on Water Land and Ocean Resources.

* While the ohana unit bill was amended to take out Oahu, it just as easily can be put back in, now or next year.

Laura H. Thielen
Agricultural Liaison
Mayor's Office
City and County of Honolulu
(808) 768-6603
lthielen@honolulu.gov"

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. Members, if you read the measure, it was amended to basically make it for one area only, Maui County. I know there's a lot of dysfunctionality going on in other places, but our County Council has worked hard, in an eight to one vote, to create a bed and breakfast program to help true small farmers, *bona fide* ag, with a complaint system, and an adjudication system. But because of the bar against any overnight stay whatsoever in State law, they cannot enact this bed and breakfast ordinance.

"All we're asking for is to give Maui County home rule, and the tools to be able to implement something that everybody has bought into, and has worked on over the last year. Thank you very much, Mr. Speaker."

Representative Fontaine rose in support of the measure and asked that the remarks of Representative McKelvey be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative C. Lee rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker, just to clarify my opposition. I do respect the intent of the Maui County Council and other Members to try and rectify this situation. The problem I have with the bill is that there's a specific clause within it which allows for this tourist bed and breakfast, et cetera, use of ag lands without any *bona fide* ag activity on the property. Essentially doing an end run around the Land Use Commission's intent of local agriculture and everything else. Thank you."

The Chair then noted:

"Representative Chang, and Vice Chair Har, this particular measure will be going to your Committee, so really try to vet it. Thank you."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. I understand what the speaker from Maui was saying. However, you take a look at the bills that go through and the laws that are put on the books. And then you find a subsequent legislature saying, 'Well let's just change that. It's worked for Maui. Let's now do it for Oahu.'

"We have a terrible problem with transient vacation units on the Windward side, and competition for housing for local people. We also will have a terrible problem were this to be laid onto Oahu in the future. We would really be decimating our farmland and it would become tourism. Come look at where plants and crops used to be. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2341, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," passed Second Reading and was referred to the Committee on Water, Land, & Ocean Resources, with Representatives C. Lee, Thielen and Wooley voting no, and with Representative Herkes being excused.

Representatives Tsuji and McKelvey, for the Committee on Agriculture and the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1259-12) recommending that S.B. No. 2375, SD 3, as amended in HD 1, pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2375, SD 3, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL-BASED COMMERCIAL OPERATIONS," passed

Second Reading and was referred to the Committee on Water, Land, & Ocean Resources, with Representative Herkes being excused.

Representative Tsuji, for the Committee on Agriculture presented a report (Stand. Com. Rep. No. 1260-12) recommending that S.B. No. 2695, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2695, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIVESTOCK FEED," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Tsuji, for the Committee on Agriculture presented a report (Stand. Com. Rep. No. 1261-12) recommending that S.B. No. 3011, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 3011, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3011, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," was referred to the Committee on Finance, with Representative Hanohano voting no, and with Representative Herkes being excused.

Representatives McKelvey and Nishimoto, for the Committee on Economic Revitalization & Business and the Committee on Higher Education presented a report (Stand. Com. Rep. No. 1262-12) recommending that S.B. No. 3037, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 3037, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1263-12) recommending that S.B. No. 3031, SD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 3031, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1264-12) recommending that S.B. No. 2419, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Judiciary.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2419, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION," was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1265-12) recommending that S.B. No. 2111, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2111, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes, Mr. Speaker. I want to vote with reservations, even though it's from my good friend from Maui, from Lahaina. I know that this is very dear to his heart. However, I note in this measure that the credits have been increased quite a bit, from 8 million to 16 million for production; and 20 to 25%, plus 5% additionally for hiring of local people, which is nice. But I don't know why we have to pay them to hire local people.

"My major concern is that while I recognize that movie production in the State is good for the State image, I believe that there are a lot of needs in this State that are going unfunded right now. And at some point in time, I think we all need to know, what are all of these tax credits costing us? The bottom line, not only for this measure, but for other measures is, is it worth the credits that we're giving inasmuch as the tradeoff is, if we have many programs that are yet unfunded throughout the State. I think we can look at health, and labor, and et cetera, et cetera as unfunded. Education, for one. And we need to have a handle on this cost.

"I know I've seen some figures that were provided to me, showing as to the turnaround of the money, but these figures were done by those who are requesting the credit. I would prefer that somehow, some local economist begin looking at this kind of figure, and report to the Finance Committee as to how much does the State really get from this here. What's the value of this hundreds of millions of dollars that we spend per year in tax credits.

"In fact I was looking across the wall, they requested for approximately 400 million, and can we afford it? Of course, we're not going to give the whole 400. I'm sure when it gets to the Finance Committee, they will whittle it down to a more manageable figure. But again, I think what they should know, and what should be then provided to us, is what is the net value, and what is the cost to programs that are not sufficiently funded.

"Is it as a result because of this? Or does this, in effect, provide more dollars for those that need to be funded? These things, I don't think we know yet. So we cannot just be throwing tax credits around, not knowing what the ultimate result is going to be, the bottom line figure. And this is not to disrespect those who advocate, and they're advocating in good faith because they sincerely believe that this will provide a better image for the State of Hawaii and provide jobs. For this I give plenty *aloha* for them, because they work hard to do this. But I think we need to take one step more, and begin to evaluate the result of all of this. Thank you, very much."

Representative Wooley rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I also want to express reservations, and thank Speaker Emeritus for his very wise comments."

Representative Takai rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support, briefly. Thank you. I think what we need to do is take a look at the reports being generated by the film offices, not only at the State level, but all throughout the entire State. Each county has one. And you'll see from it, there's clear evidence that this type of funding support through tax credits benefit not only the industry, but more importantly, the entire State.

"Now last year, we recognized Hawaii Five-O. And Hawaii Five-O, the amount of money we put in through these tax credits, we can't even imagine how much it'll cost to pay for the impressions that are seen throughout the nation, and in fact throughout the world. So I'll try and get

some of that information for the Chairmen of both Transportation, and the Culture and Arts Committee, because I think the evidence is there. We just have to kind of take a look at it.

"And I do understand their concerns. Their concerns are legitimate, because we can't be giving tax credits away. But I do believe that these tax credits have over time shown that it benefits the State of Hawaii. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2111, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1266-12) recommending that S.B. No. 2412, SD 2, as amended in HD 1, pass Second Reading and be referred jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2412, SD 2, HD 1, pass Second Reading and be referred jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary, seconded by Representative Evans.

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2412, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTS," passed Second Reading and was referred jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary, with Representative Herkes being excused.

Representative McKelvey, for the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1267-12) recommending that S.B. No. 2511, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2511, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Cullen rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Har rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on Standing Committee Report 1267-12, Senate Bill 2511, Senate Draft 2, House Draft 2. The purpose of this measure is to reduce the adverse impact of single-use checkout bag waste in Hawaii by establishing a fee for the distribution of single-use

checkout bags, also known as plastic bags. Specifically, this measure proposes that beginning January 1, 2013, all businesses in the State shall charge and collect a fee of 5 cents for each single-use checkout bag that is provided to customers. Mr. Speaker, I base my reservations on three reasons.

"First, while I support the intent of protecting the environment today and for future generations, I believe passing on the financial burden of improving the natural environment to consumers is unfair. Hawaii residents already face much higher costs for necessities such as food and utilities than people living on the mainland. Furthermore, the proposed fee places a disproportionate burden on our elderly and low-income residents. In these tough economic times, the last thing government should be doing is hurting those who already have little disposable income to afford even the most basic necessities.

"A second reason for my reservations on this bill is that the price of plastic bags is already assessed by grocery stores and folded into the price of all goods purchased. The Retail Merchants of Hawaii, who represent grocery stores and other merchants offering plastic bags, noted in their testimony before the House Finance Committee on February 2, 2012, that they could not guarantee that the price of goods would come down if consumers paid for their plastic bag usage, particularly when retailers would be reimbursed for the cost of the plastic bag. I cannot in good conscience support a bill that would charge consumers twice – for the plastic bag fee and for the cost already folded into the price of goods.

"Finally Mr. Speaker, if we are genuinely concerned with the environment, we should just ban plastic bags. This bill purports to help the environment by placing a fee on single-use checkout bags but to truly address the environmental concerns if legitimized, then placing a fee on these bags does not address the problem. Furthermore, the funds from this bill which would be placed into the general fund, ultimately ends up being just another fee to our constituents who are all struggling to make ends meet. Instead of "nickel and diming" our constituents, let's support an outright ban.

"Environmental protection is paramount, but there are much better ways to incentivize people's behavior (rather than penalize) in plastic bag usage. For these reasons, I stand with reservations on this measure. Thank you, Mr. Speaker."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations to SB 2511, relating to single use plastic bags. While I support the intent of this measure to improve the environment and to proactively reduce the amount of material put into our landfills, I am concerned about the widespread effect that this fee will have on many of the families who are struggling the most through these difficult economic times.

"This fee will increase the already high cost of living because it targets the purchase of necessities such as food and groceries. Though it seems like a small fee, I believe the added cost to the grocery bill is not a cost that can be absorbed by our constituents, especially in these difficult economic times. This added fee will touch everyone, each time they step into a store or business.

"Again, I do support the intent of this measure; however, this particular fee is broad-based and may adversely impact all of our constituents. I am concerned as to whether my constituents can afford this additional fee. For these reasons, I have reservations with the measure before us."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2511, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1268-12) recommending that S.B. No. 650, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 650, HD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE CONSTITUTION OF THE STATE OF HAWAII AUTHORIZING THE CHIEF JUSTICE OF THE STATE SUPREME COURT TO APPOINT RETIRED JUDGES TO SERVE AS EMERITUS JUDGES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1269-12) recommending that S.B. No. 2261, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2261, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Aquino rose to disclose a potential conflict of interest, stating:

"May I request a ruling on a potential conflict? I work for the company that serves as the fiscal agent for the Weed and Seed in Waipahu," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2261, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1270-12) recommending that S.B. No. 2277, SD 2, HD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2277, SD 2, HD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Thielen rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2277, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERED AND THREATENED SPECIES," was referred to the Committee on Finance, with Representative Thielen voting no, and with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1271-12) recommending that S.B. No. 2709, HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2709, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FURNISHING THE DATE OF VITAL EVENTS TO GOVERNMENTAL AGENCIES WITHIN THE STATE OF HAWAII THAT REQUEST VERIFICATION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1272-12) recommending that S.B. No. 2783, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2783, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC TRUST LANDS," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1273-12) recommending that S.B. No. 2248, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2248, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1274-12) recommending that S.B. No. 2318, SD 1, as amended in HD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2318, SD 1, HD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative M. Lee rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 2318 SD1 HD1, Relating to Adult Guardianship and Protective Proceedings Jurisdiction.

"The purpose of this measure is to address the challenges Hawaii has encountered in dealing with issues surrounding interstate adult guardianships and protective orders.

"Adoption of this Act will establish guidelines to determine which court, in this State or another state, has jurisdiction to appoint a guardian or conservator for an incapacitated adult and to determine the disposition of out-of-state guardianship and protective orders thereby ensuring that only one state has jurisdiction at any one time. There will also be a prioritization of which states may proceed with a petition. This process provides uniformity and reduces conflicts among states.

"For this reason, I urge the Members' support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2318, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT GUARDIANSHIP AND PROTECTIVE PROCEEDINGS JURISDICTION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1275-12) recommending that S.B. No. 2712, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2712, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1276-12) recommending that S.B. No. 2776, SD 2, HD 1, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2776, SD 2, HD 1, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2776, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1277-12) recommending that S.B. No. 2233, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2233, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Fontaine rose to speak in support of the measure with reservations, stating:

"Yes, Mr. Speaker. With reservations and brief comments. While I understand the need to want to help facilitate using electronic methods to getting notices out, I'm very concerned about this measure because of how it may impact our elderly who may not have access to computers, and may not be able to get the notices. That's why I have my reservations. Thank you."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, very much, Mr. Speaker. With reservations, and I finally get to say this, this year. I would like the comments and the words of my brother from another mother, the Representative of Kihei to be entered into the record as if it were my own."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2233, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC INFORMATION," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1278-12) recommending that S.B. No. 3008, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 3008, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1279-12) recommending that S.B. No.

2250, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2250, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PAROLE," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1280-12) recommending that S.B. No. 2209, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2209, HD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 4, OF THE HAWAII STATE CONSTITUTION TO REQUIRE THE JUDICIAL SELECTION COMMISSION TO DISCLOSE THE NAMES OF AND CERTAIN INFORMATION REGARDING ACTIVE NOMINEES AND APPLICANTS TO FILL JUSTICE AND JUDGE VACANCIES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1281-12) recommending that S.B. No. 2713, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2713, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1282-12) recommending that S.B. No. 2738, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2738, SD 1, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Belatti rose to disclose a potential conflict of interest, stating:

"Thank you Mr. Speaker. May I request to be excused from the voting on this? A client of my law firm is a beneficiary of this measure."

The Chair responded, stating:

"To be excused? The Chair will not excuse you. If you're asking for a ruling of a potential conflict, there is no conflict, Representative Belatti."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2738, SD 1, HD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1283-12) recommending that S.B. No. 2821, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2821, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MORTALITY REVIEW OF DEATHS OF PERSONS WITH DEVELOPMENTAL OR

INTELLECTUAL DISABILITIES," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1284-12) recommending that S.B. No. 2281, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2281, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1285-12) recommending that S.B. No. 2873, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Judiciary.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2873, SD 1, HD 2, be referred to the Committee on Judiciary, seconded by Representative Evans.

Representative Riviere rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I actually thought about voting yes on this. And then I thought, well there are so many bills going forward that are so disconcerting that I thought I better go reservations. Then I thought about it once again, and I thought you know, the Departments have a chance to exempt projects, and they have a chance to go to the Office of Environmental Quality Control and get rulings on exemptions, so there is a procedure for that. Therefore, even though this may seem like an insignificant bill, it creates another blanket exemption which is bad policy. Opposition, please."

Representative Thielen rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2873, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," was referred to the Committee on Judiciary, with Representatives Riviere and Thielen voting no, and with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1286-12) recommending that S.B. No. 2288, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2288, SD 1, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. This is the solar, or photovoltaic bill that I've spoken about before, and I'm still voting no on the bill. Mr. Speaker, we've had other measures that have increased fees, some deal with taxes. This one takes a different approach. It is going to severely damage an industry

that has been one of the fastest job growing industries in our State, and that's the photovoltaic and solar industry.

"We've talked about how the technology will require up to a certain amount of energy flowing through an individual system. If you go above that, you could create fires. You could create other problems. So from a technical aspect, you need to put different systems on a larger roof. And from a technical aspect, that isn't doing anything that is illegal. It's doing something that is prudent and safer. We used to give, until this bill moving forward, a tax credit for those systems. Thereby, the solar industry was, I believe among the very fastest growing groups within this State, providing the most green jobs, good paying jobs, in our State.

"I've called this the 'photovoltaic for millionaires,' but I think it's better named, 'protection for Hawaiian Electric.' Because fewer people will go to getting their power from the sun, which means that those people more and more will be receiving the very costly monthly electric bills from Hawaiian Electric. I'm sorry to see us do this. I think it would've been much better to put together a task force to have the different players, including the Department of Taxation sit down and work out what could happen so there wouldn't be any abuse of the system, but so people could continue to stretch and buy that photovoltaic system and be able to get their utility bills back down to probably where they were about maybe five or ten years ago.

"I imagine everyone in this room has constituents that have either talked to them, or called them, or indicated that their bills are just going out of sight, and they can't get a handle on it. They can't do a budget because the next month, the Hawaiian Electric bill comes and it's even more than it was the month before. There are stories of people that haven't used air conditioning in two or three years. That unplug all of their different appliances. That have clothes drying on a clothesline. They've done just virtually everything they can, and yet the price continues to go up. This bill does not help. This bill harms our constituents. Thank you."

Representative Chong rose to speak in support of the measure, stating:

"Mr. Speaker, in support. And just a quick rebuttal. In regards to jobs, I guess you could make that argument. But I would say, I would almost guarantee anybody, if we gave a 65% tax credit, and yes, 35% is State and 30% is federal. I'm assuming we're all federal tax payers in here, so it's our money too. If you give a 65% tax credit to any business or industry, they'll be the fastest growing industry as well. Why don't we do it for automobile dealers, to help our American car companies? Or why don't we do that for hotels since hotels are a big part of our industry? You can do that to any industry. At 65%, they'll create a ton of jobs. So that's a red herring.

"Secondly, is on the issue of Hawaiian Electric. This is not a 'protect Hawaiian Electric' bill. This is a fiscally prudent bill to ensure that the taxpayers' interest, like in any other tax expenditure, or budget expenditure, is managed correctly. I would remind the Members that actually, Hawaiian Electric was looking to do this, because they saw so much profit in it. A 65% tax credit, and depreciation over the life, where they would be able to sell electricity after installing PV on someone's house and sell it to them without going through the PUC rate filing case. So this is not helping Hawaiian Electric. Thank you."

Representative Ward rose to speak in opposition to the measure, stating:

"I rise in opposition, with brief comments. Mr. Speaker, this is not a red herring. It's about a \$6 billion debt that we pay every year. We're trying to get off of imported oil. Let's not lose focus on the ball. This thing is premature because we beat our chest saying we are the leaders of the nation of PV. Mr. Speaker, you know what the data is? We're 3% renewable energy on our grid. 3% and now we're going to cut the legs out from underneath this incentive. Let us remember, it took us 30 years to get the 30% with just the water heaters.

"We're 3% now with PV, and we think if we cut off these incentives, that people are going to continue buying this stuff. In other words, we've got to invest, keep the pipeline filled, and then when we get traction. When we get a percentage, at least of the adoption now, with the solar water heaters, then I say, 'Okay, let's cut it off.' And I would also suggest

Members who just voted for the movie tax credit, the same purpose is to vote for this tax credit because this industry is real. We've got the best sun and the longest days in the nation. We can be a world leader. Mr. Speaker, this is pennywise and pound foolish, the way we're behaving on this bill. Thank you."

Representative Ching rose to speak in opposition to the measure, stating:

"In opposition Mr. Speaker, with the words of the Minority Leader, as well as the Representative from Kailua entered as my own. And additional written comments, listing also the opponents: Solar Energy Industries Association, Sunrun, Sierra Club, Blue Planet Foundation, Hawaii Renewable Energy Alliance, Kauai Island Utility Cooperative and others. Thank you."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of S.B. 2288 – Relating to Energy. This bill applies the renewable energy technologies tax credit on a per-property basis and prohibits a taxpayer from claiming the renewable energy technologies income tax credit for a renewable energy system installed for, a power purchase agreement with any government agency. This bill also increases the credit for systems installed on various types of properties and authorizes the issuance of general obligation bonds for renewable energy systems for state facilities.

"While I support renewable energy, I am concerned that S.B. 2288 contains language that prevents competition amongst contractors. The testimony provided by Aaron S. Fujioka, Administrator of the State Procurement Office, explains that open and fair evaluation processes are necessary to find the most appropriate and qualified vendor. This bill restricts the entity, in this case taxpayers, from the right to compete for government contracts, which violates equality under the law. Furthermore, prohibiting taxpayers from claiming tax state credits for installing a renewable energy system or power purchase agreement does not help the quality of living for taxpaying residents because it prevents them from benefiting from lower warranty costs as a result of entering power purchase agreements, to which they are exempted in this bill. Power purchase agreements provide stable utility costs that do not fluctuate as often, which is in the benefit to our State of Hawaii residents as the cost of living in Hawaii is so high.

"Thank you."

Representative C. Lee rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose to speak in support of the measure with reservations, stating:

"Yes, the same reservations as before with a couple of comments. The reason I had serious reservations about this bill, is, as I mentioned in previous times, we are trying to be creative in Ewa Beach, where we're trying to have private-public partnerships with some of our public schools. We really believe that we're saving the taxpayers money by being creative and combining these partnerships together for our students. And we really believe that this actually could help other State projects. So, by eliminating some of these possibilities with these tax credits, we truly believe that we're eliminating possibilities to save the State money in the future."

Representative Giugni rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2288, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Second Reading and was referred to the Committee on Finance, with Representatives Ching, Thielen, Ward and Wooley voting no, and with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1287-12) recommending that S.B. No. 2438, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2438, SD 1, HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Sorry, Mr. Speaker, but here goes another one. Mr. Speaker, I'm rising to vote against this bill, and I'd like to explain why. Thank you. Mr. Speaker, the US Department of the Navy is holding a two-day symposium, next week, about marine energy. They're bringing out experts in the field. They're holding the first event at Marine Corps Base Hawaii in Kaneohe, and that's for the purpose of inviting international wave energy companies to come to Hawaii. They have people coming from all over the world.

"One of those companies had a device for a period of about 7 years off Marine Corps Base Hawaii actually feeding power into the grid. They're going to be back again with their newer device which will be much more powerful. The difficulty with this bill, and it does go on to CPC, so there'll be another shot at it. But the difficulty with this bill is, it says that the Public Utilities Commission can only approve technology that is above Level 6, and let me read to you what Level 6 is. Technology Readiness Level 6 means engineering scale models have been tested in an environment that closely resembles the actual operating environment. The PUC won't be able to approve those. That's exactly the environment that the military is constructing.

"The wave hub off of Kaneohe, that the United States Department of the Navy is bringing people from around the world for that, to be out there. They've invited the international companies and local companies. And there are local companies, to come for the purpose of testing their devices in this marine area. They also have the ability to feed the power into the grid and those tests aren't just conducted within one month, one year, two years. Those tests can be ongoing, as they refine the systems, feeding power into the grid. They can be, as I mentioned, with OPT, up to a seven-year test period.

"What does this do for Hawaii? It provides the local jobs. These aren't bought off the shelf, retail from another nation. These are developed right here in Hawaii with the local jobs provided for our community, and they're very good paying jobs, Mr. Speaker. The ones our young people who graduate from college would love to have.

"So, my concern with this bill is, by limiting this section 6, Level Readiness, Level 6 by saying, 'PUC, you can't approve that to go into the grid.' We're acting in direct conflict to what is actually taking place and being encouraged today by our federal government that is putting money into this process, and money into the wave hub.

"The next Committee can look at it and modify that language, but it would be pretty darn foolish for the Legislature to pass a bill that says, 'PUC can't approve what you, Department of the Navy have funded and put into place and brought in the players from around the world to provide the jobs for our economy.'

"So I think the bill needs to be looked at with this new knowledge. And I do need to say that the Chair didn't have this knowledge before. This is a recently put together symposium. With this knowledge we need to amend

this bill to make sure we're not cutting off this financial and renewable energy opportunity for Hawaii. Thank you."

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Also in opposition and asking that the words of the Representative of Kailua be entered as my own. Thank you, Mr. Speaker. And to note that in the Committee Report it says it adopted and amended. On number 4 amendment it says, 'Requiring that all proposed renewable energy projects of the PUC be of technology Readiness 7 or higher.' 7 or higher. And so I just ask that the words of the Representative of Kailua, and additional remarks should be warranted."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of S.B. 2438– Relating to the Public Utilities Commission. This bill sets forth technology readiness levels based on upon the U.S. Department of Energy's assessment guide. It requires the Director of the Hawaii Natural Energy Institute to provide the Public Utilities Commission with an analysis of the technology readiness of a renewable energy project, upon the request of the Public Utilities Commission. This bill also requires the Public Utilities Commission to only consider projects with a technology readiness level of above 6.

"While I support renewable energy, I am concerned that S.B. 2438 contains problematic and unclear language. As explained in the testimony provided by Jeffrey T. Ono, Executive Directors of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, the imposition of an economic impact analysis that this bill proposes delays procedural schedules of projects. Furthermore, the language of the bill is unclear if the economic impact analysis is to be proportionate to the scale of the projects, thereby causing confusion with the application criteria. The language of S.B. 2438 does not provide standards that allow each agency submitting an economic impact analysis to weigh equally quantifiable results.

"Thank you."

Representative Coffman rose to speak in support of the measure, stating:

"Yes, Mr. Speaker, in strong support. Just some brief comments. The Committee on Energy & Environmental Protection, the reason and the genesis of this bill is to provide the PUC authority. The bill includes Levels 1 through 9 from the Department of Energy outlining Technology Readiness of Products.

"The PUC has been presented products that weren't even technology ready for commercial utilization. So this bill was to provide them language so they don't have to look at things that aren't really ready for production. This bill does exempt, for three years, pilot projects. So the concerns mentioned before, really are exempted. Thank you, Mr. Speaker."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. I understand what the Chair wanted to do, is to not have the PUC waste its time on projects that are kind of a dream today, but maybe you need to go through much more vetting until they become much more viable. But let me just read from the Consumer Advocates testimony. If the Senate bill, which it does, means that a renewable energy project or proposal must already be at Technology Readiness Level 6 when approval is being sought, it may mean that the PUC will have to reject projects that are at Technology Readiness Level 5, but are seeking approval for a pilot project that will demonstrate and establish itself as being at Level 6. If the State of Hawaii is to be an international leader in renewable energy technology, then the PUC needs to have discretion in approving pilot or prototype projects that may not yet be at Level 6. And the bill is even worse, because it says at Level 6, you can't approve it.

"So this is from the Consumer Advocate saying, if we want to be a leader, don't do something like this, as the bill is presently worded. It can be modified to take into account the opportunity that we're going to have at

Marine Corps Base Hawaii, with federal money, into this economy. But that may not be possible if this bill goes through in its present form, and that, to me, would be foolish. Thank you."

Representative Coffman rose to respond, stating:

"Thank you, Mr. Speaker. Just a brief rebuttal. The exemption for pilot projects and demonstration was placed in the bill after that testimony was submitted. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2438, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representatives Ching and Thielen voting no, and with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1288-12) recommending that S.B. No. 2746, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2746, SD 1, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Takai rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. May I have a ruling on a potential conflict? I am an owner of an electric vehicle," and the Chair ruled, "no conflict."

Representative Takai continued and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Har rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise with reservations on Standing Committee Report 1288-12, Senate Bill 2746, Senate Draft 1, House Draft 2. The purpose of this measure is to continue to incentivize the use of electric vehicles. Additionally, the purpose of this measure is to enable the public to more readily access existing laws pertaining to electric vehicles by codifying elements of Act 290, Session Laws of Hawaii 1997, into the Hawaii Revised Statutes.

"I do support the idea of codifying elements of Act 290 into the Hawaii Revised Statutes which will provide the public with better access of existing laws pertaining to electric vehicles. The language in the bill, however, is not the right tool for incentivizing the use of electric vehicles. A great majority of those who purchase electric vehicles do not do so because of parking fee exemptions. There do not seem to be any reports from State or federal agencies indicating that owners of electric vehicles purchase to benefit from free parking. Owners of electric vehicles purchase because they want to preserve the environment and are conscious of their gasoline use.

"Additionally, this bill is premature. According to the State of Hawaii Department of Business, Economic Development & Tourism there are roughly only 700 electric vehicles on the island. Such a limited amount of electric vehicles in the state will not truly benefit from parking fee exemptions.

"For these reasons, I stand with reservations on this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2746, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLES," was

referred to the Committee on Finance, with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1289-12) recommending that S.B. No. 2630, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2630, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NOISE," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative Herkes being excused.

Representatives Coffman and McKelvey, for the Committee on Energy & Environmental Protection and the Committee on Economic Revitalization & Business presented a report (Stand. Com. Rep. No. 1290-12) recommending that S.B. No. 2402, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2402, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIGHT POLLUTION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1291-12) recommending that S.B. No. 2465, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2465, SD 1, HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce, seconded by Representative Evans.

Representative Ching rose to disclose a potential conflict of interest, stating:

"Just a ruling on a potential conflict. I serve on a couple of association boards," and the Chair ruled, "no conflict."

Representative Cullen rose to disclose a potential conflict of interest, stating:

"Same ruling. Thank you," and the Chair ruled, "no conflict."

Representative Takai rose to disclose a potential conflict of interest, stating:

"I didn't think we had to do this, but I also serve on a board," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2465, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1292-12) recommending that S.B. No. 2650, SD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2650, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PROMOTION OF CONTROLLED SUBSTANCES," passed Second Reading and was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1293-12) recommending that S.B. No. 2805,

as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2805, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Cabanilla, for the Committee on Housing presented a report (Stand. Com. Rep. No. 1294-12) recommending that S.B. No. 2256, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2256, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative Herkes being excused.

Representatives Cabanilla and Hanohano, for the Committee on Housing and the Committee on Hawaiian Affairs presented a report (Stand. Com. Rep. No. 1295-12) recommending that S.B. No. 3025, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that S.B. No. 3025, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Belatti rose to speak in opposition to the measure, stating:

"In opposition, Mr. Speaker. Just a few brief remarks. I would like to just point out to colleagues that this measure would impose upon matters of home rule and potentially negatively impact counties' affordable housing requirements as it applies to providing affordable housing for all the population.

"While I think it's important and noteworthy and worth our attention to make sure that DHHL is able to build up its inventory of affordable housing, I think it's important that we build it up for all of our population. But I also note, Mr. Speaker, that if you look at who testified in opposition, uniformly across the board, all counties oppose this measure, or representatives of those counties oppose this measure. Thank you, Mr. Speaker."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 3025, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING CREDITS," passed Second Reading and was referred to the Committee on Finance, with Representative Belatti voting no, and with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1296-12) recommending that S.B. No. 2434, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2434, SD 1, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes. Thank you very much, Mr. Speaker. I wish to speak with some reservations. This bill, I think is one of the more important bills in the President's health plan. It basically has to do with those who can't, who don't have sufficient insurance or sufficient funds to provide for their care. What I'm concerned about in the measure here is it seems to be insurance loaded. It's that the major decision is going to be made, it seems, by insurance companies.

"There's no mention of where the money is going to come in for the gap group, those who may need possibly a major operation, a major procedure that their plan does not cover. The other major problem of course that I have is that, you have a nonprofit board that's connected to a government board, and that could provide some difficulties where they don't follow the same rules.

"I think that the Finance Committee, in concert with the Health Department, the Chair and CPC Chair should look at this a little more closely and hopefully make the needed improvements. Again, this is probably one of the more important measures that came out of the health plan, and to tell you the truth I'm not very happy that the plan that came out is insurance oriented. So to the Chairmen, please do your best. Thank you."

At 1:20 o'clock p.m., Representative Yamane requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:21 o'clock p.m.

Representative Souki rose, stating:

"Yes, Mr. Speaker. If I can make a clarification. The Chairman of Health has advised me that the insurance groups will be advisory. However, the money that will be coming out for their care will still be based on insurance. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2434, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE," was referred to the Committee on Finance, with Representative Herkes being excused.

LATE INTRODUCTIONS

The following late introduction was made to the Members of the House:

Representative Keith-Agaran introduced students visiting from Purcell Marian High School in Cincinnati, Ohio.

REPORTS OF STANDING COMMITTEES

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1297-12) recommending that S.B. No. 2769, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2769, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1298-12) recommending that S.B. No. 2825, SD 1, HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2825, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE

HAWAII IMMUNIZATION REGISTRY," was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Herkes and Keith-Agaran, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1299-12) recommending that S.B. No. 2424, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that S.B. No. 2424, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2424, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS," was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Herkes and Keith-Agaran, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1300-12) recommending that S.B. No. 2433, SD 2, HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2433, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHALLENGE COURSE TECHNOLOGY," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Herkes, for the Committee on Consumer Protection & Commerce presented a report (Stand. Com. Rep. No. 1301-12) recommending that S.B. No. 2394, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2394, SD 1, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm voting no on the bill, but only because of Part 2, Mr. Speaker. Part 1 is very good and it protects our military, but Part 2 really creates a quasi State Bank, and it's of great concern to me. If you look at page 5 of the bill, it creates a Mortgage Loan Purchase Program to help those homeowners who are facing foreclosure. And the corporation, which is the State, extends the full faith and credit of the State to guarantee payment on the loans.

"There's also a provision where the corporation issues revenue bonds for the purpose of the Act, or of the law. It concerns me, Mr. Speaker, that it's maybe an attempt to help people save their homes, but it also then puts the State in a position of putting together revenue bonds that are backed by defaulted mortgages. It isn't, I think, a very financially sound way to proceed. Thank you.

"I'm sorry, Mr. Speaker. The main thing is, it imposes fees and basically punishments on our local banks, which were not the banks that were causing the problems. And they're the ones who are really going to be penalized under this. And then when they're in competition with mainland banks, we're at a disadvantage. So we're taking a real hit on the local financial institutions when they've been the good guys. Thank you."

Representative Fontaine rose to speak in support of the measure with reservations, stating:

"Reservations, Mr. Speaker, for the same concerns as the previous speaker."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition. Mr. Speaker I'd like to thank the Chair of Finance, who at 6 a.m. this morning had us talking to the Bank of North Dakota. A very good discussion. A very enlightening discussion and one that some of us concluded, we got to study before we move anywhere near establishing a bank. I think the same applies for this state bank for the mortgages. I didn't know that this bill had actually morphed into that, but it looks as though this is the fourth attempt to get a state bank around."

"I think until really we get all the stakeholders, because Budget & Finance is against this. DCCA is against it. The Bankers Association is against it. And quite frankly, the Bankers Association of North Dakota said, 'If we were going to have this come out now, we would be against it.' So there's a lot of discussion and stakeholder massaging that needs to be done here, Mr. Speaker."

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you. A no vote, with the words of the Minority Leader and the Representative of Kailua entered as my own. I have similar concerns and just wanted to point out that once again, that punishing the local bank is ironic when one of our banks have been, not just once, but numerous times, considered the best bank. Judged by the nation to be the best bank. Thank you."

Representative Marumoto rose in support of the measure with reservations and asked that the remarks of Representative Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on SB 2394, relating to mortgage loan programs and predatory lending. I am in support of the mechanisms within this bill that protect our US Service Members and their families from predatory lending. However, I am concerned about other language in this measure that would create a special fund to allow for the purchase of distressed residential properties by the State. I have concerns that our State is not in a fiscal position to get involved with mortgage foreclosures in this manner. For those reasons, I am voting with reservations on the measure before us."

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Yamane rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm standing in support. Mr. Speaker, and Members, in this bill before you, Part 2 specifically which is being addressed at the current time, is to establish a Distressed Residential Properties Program. Mr. Speaker, there is no reference or intention regarding a State Bank."

"Members, during the last two years, we as a Body, through the passing of Act 48, as well as with the recent foreclosure settlement, have been

trying to address foreclosures to our local people, Mr. Speaker. Local individuals who are struggling to make payments. Mr. Speaker, in the Associated Press, dated March 14, 2012, RealtyTrac projects foreclosures to rise about 25%, so Mr. Speaker, this is an issue that we're going to have to address this year."

"In light of past discussions, those in opposition to the issue of a State Bank, the Vice Chair received the bill and found it quite interesting. This is an innovative program, a program, now Mr. Speaker, to try to address and give the local individuals, those who have remained in their residence for 200 days, once they make an agreement, once they determined that this would be an appropriate situation, would then have to remain in that home for 5 years, or 60 months."

"There has been reference to the issue about the attacking of the local bank. Mr. Speaker, when I talked with those who drafted the measure, the intent was never to attack the local bank. The intent was to find various ways to help seed this Fund so that way we could assist families in an agreement to get these potentially difficult foreclosure mortgages and assist them in making sure that local people could stay within their homes."

"Mr. Speaker, the bill you have before you, has that language deleted. So the language before you does not have any fees to any financial institutions. There has been an ongoing need for discussion regarding fees associated with mortgagees and refinancing of mortgages, which would be the appropriate place for discussion in the House Finance Committee. But Mr. Speaker, and Members of this Committee, we are trying to develop a Mortgage Loan Purchasing Program using the resources of the State and the Attorney General to help our struggling locals get out of their current financial situation."

"Members, not everybody will qualify. And once they do qualify, Mr. Speaker, there has to be an agreement for not only a Power of Attorney, but those individuals will sign over the property to the State. If they are unable to make their own payments, that property would become the property of the State, as well as any assets or appreciation associated with it. So Mr. Speaker, this is an innovative idea that merits more discussion on behalf of the people of Hawaii. Thank you, Mr. Speaker."

Representative Ward rose to respond, stating:

"Yes, Mr. Speaker. I just wanted to rebut, even though I want to agree with the first statement, that it's an innovative idea that needs more discussion. That's precisely the case. But this bill says, establishes the program. There are 7,000 give or take a few hundred, underwater mortgages, toxic mortgages. 7,000. The average price of a house in Hawaii is, what? About 500-some thousand. So we're talking about millions of dollars potentially here, of which it says it's going to come out of the treasury of the State of Hawaii, or by private contributions, repayment of loans and interests."

"The point is, this is half baked. It's not, with what we have in terms of money availability, in terms of risks to do this. Who in this Body is qualified to do that? We don't have the capacity to, Mr. Speaker. So I think it's premature. Let's go back to study it. Let's keep the dialogue open, but let's not establish it."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. I just wanted to read the testimony from a brief part of the testimony of the Commissioner of Financial Institutions and I quote, 'While the special mortgage recording fees set forth in section 4 of the proposed House Draft 2 applies across the board on each residential mortgage recorded in this State, the assessment of \$100 per residential mortgage set forth in section 9 of the proposed House Draft 2 effects only ...'"

Representative Yamane rose, stating:

"Point of clarification. Is the language that she's referring to, in the current bill before us? In reference to the testimony, the language that she's reading. Is that language in the current bill before us?"

At 1:32 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:35 o'clock p.m., with Vice Speaker Manahan presiding.

Representative Thielen rose to respond, stating:

"Mr. Speaker, I see that we did delete the \$100 assessment in this final draft that we have. I would just encourage the Members to keep that out. The Commissioner of Financial Institutions was concerned at focusing on our local banks when it was the mainland banks that caused the problem. And she didn't want to create a disincentive for our State chartered institutions to be at a competitive disadvantage.

"She was saying that it would create a clear disincentive for them to obtain or maintain a State charter. So, instead of focusing on the out-of-state banks that caused the problems. So while this is a work in progress, I hope it doesn't progress itself back into putting that onus on our local banks. Thank you."

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker. Yes, I was very happy to see the assessment of \$100 taken out of the bill. But I'm glad that was a good idea, because the penalty for not paying that one-time \$100 fee was \$250 a day, which didn't quite make sense to me.

"I believe that this bill is premature. We should wait to see what happens with the federal bailout program that the Attorney General announced, which will provide \$70 million to help local owners who are in trouble with their mortgages. Once this program goes into effect, then we can see how much of a problem we have left.

"I'm trying to remain open minded on this. I'm very happy to see the Finance Chairman has provided us with an opportunity to hear mainland experts with these 6:00 a.m. conference calls. But on the other hand, I think this is not a really good idea, and I'm trying to keep an open mind. Thank you, very much."

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of this measure. First of all, I'd like to thank the members of the Finance Committee who did show up this morning at 6:00 a.m. to learn what other people have done, and actually consult with some professional bankers. I think it's always good to go back to those who as a matter profession and employment, run these banks. I think it's a good start.

"I have a couple of points I wanted to make, Mr. Speaker. Number one, the settlement of \$26 billion with the five big banks, the national banks, will probably not be understood until it's finally rolled out over 2 or 3 years. That's one point.

"Secondly, I think it's important to know that at the hearing the other day, I had the pleasure of sitting in at the hearing, and the Division of Financial Institution's Chief there did emphasize and remind all of us there that as of yesterday, there has been no settlement. There has been approval of the terms and conditions of the settlement, and no order has been issued by the federal court, sanctioning or even directing any of the settlement terms and conditions that have been described over the last 3 or 4 weeks. So at this point in time, as a matter of law, there is no restraint on anything we might do as a state legislature.

"Another point that came up yesterday, Mr. Speaker, was that, currently six to seven thousand loans are outstanding that may be in trouble under the current crisis. Of that, only about 40% may be, may be covered under the settlement with the 'Big Five Banks.' So I think we need to keep in mind that over 60% of the Hawaii homeowners right now who are facing foreclosures, who may have been ripped off, or may have been cheated, or may have been misled, they still might be in trouble. Thank you."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Yes, Mr. Speaker. In all due faith to the Finance Chairman, I need to vote with reservations on Part 2. I just want to make mention that I know that the Finance Chair comes from the Legal Aid environment and I come from the Economic Opportunity environment. I think we both share the same view. We love to help people where we can.

"But when you put the good faith of the State's resources at hand, I think we need to be very careful as we move along with this measure. I ask the Finance Committee and the Chair to re-look into that matter. Thank you, very much."

Representative Ching rose in opposition to the measure and asked that her written remarks, and the remarks of Representative Souki be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations of S.B. 2394-Relating to Consumer Protection. This bill authorizes the Director of Commerce and Consumer Affairs to enforce certain federal laws to protect military members and their families from abusive lending practices. It also establishes a Distressed Residential Properties Program.

"While I generally support any measure that protects the men and women of our military, I have concerns with this bill. First, it is my belief that the passing of this measure will have a damaging effect on Hawaii's bond rating. To echo the Hawai'i Association of Realtors, "Specifically the provision that the Hawai'i Housing Finance and Development Corporation (HHFDC) issue \$25 million in revenue bonds, which is exempt from the debt ceiling and taxes, may impact Hawaii's bond rating and needs to be carefully considered."

"Furthermore, there seems to be ample avenues to address abusive lending practices through loan modifications and refinancing. After the housing collapse that spurred our current economy, we have a better understanding as to how to avoid this destruction moving forward.

"Additionally, the "Distressed Residential Properties Program" incorporated in this bill basically bails out lenders who offered no down payment "liar loans" and effectively creates a State portfolio of distressed mortgages and toxic properties. This bill, as stated earlier by the HHFDC authorizes an issuance of \$25 million in revenue bonds to these toxic properties. Practices like these are exactly why we had a mortgage crisis in the first place. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2394, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," was referred to the Committee on Finance, with Representatives Ching, Thielen and Ward voting no, and with Representative Herkes being excused.

Representative Chang, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 1302-12) recommending that S.B. No. 580, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 580, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUATIC LIFE," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Chang, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 1303-12) recommending that S.B. No. 2678, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2678,

SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HONOULIULI," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Chang, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 1304-12) recommending that S.B. No. 2918, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2918, SD 2, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2918, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY DEVELOPMENT," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Chang and Coffman, for the Committee on Water, Land, & Ocean Resources and the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1305-12) recommending that S.B. No. 2335, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2335, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL MANAGEMENT AREAS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Chang and Coffman, for the Committee on Water, Land, & Ocean Resources and the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1306-12) recommending that S.B. No. 2782, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committees was adopted and S.B. No. 2782, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representatives Chang and Coffman, for the Committee on Water, Land, & Ocean Resources and the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1307-12) recommending that S.B. No. 755, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committees be adopted, and that S.B. No. 755, SD 2, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Rhoads rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Belatti rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in strong opposition to Standing Committee Report No. 1307, Senate Bill No. 755, House Draft 2. Thank you, Mr. Speaker. We are at a crossroads with two different paths. One path, the path the Majority in this House would travel down with Senate Bill 755 House Draft 2, results in unchecked development, chasing down the shortsighted goals with serious long-term community impacts that

severely limits, no, practically eliminates, the public vetting of these projects.

"The second path is one that would oppose passage of this measure. This path is one that honors our constitutional obligation embodied in Article XI, Sections 1 and 9 of our State Constitution, and decades of environmental protections that have been hard fought for by thousands and thousands of citizens in our very own Democratic Party.

"Mr. Speaker, this bill is being advanced for jobs, but I would argue, that if you look at our industry, we are coming to a recovery. UHERO's March 16, 2012 construction forecast reports that even though, 'construction has yet to turn the corner in Hawaii, a pick up is now more clearly in sight. Single family home construction may languish, but new high rise condos, retail and resort-related development will boost non-residential building.' The UHERO report goes on to say that there has been a flurry of announcements of new high rise condos in Kakaako. We're also seeing increased movement in shopping center development and resort-related projects. The total value of real non-residential permits will jump more than 40% this year, to more than \$1.6 billion and will sustain a similar level of activity, through mid-decade. This is roughly in line with the level of permitting in 2005-2006 and represents a significant increase over last year's forecast.

"With respect to public sector jobs, which is what is addressed by this bill, UHERO goes on to report, 'Excluding rail, the value of real government contracts awarded will more than double in 2012 from last year's paltry \$431 million. Spending above \$900 million is anticipated in four of the next five years.' Mr. Speaker, we're coming out of our economic downturn. Construction is slowly picking up, albeit maybe not as fast as some of us would want it, but not so slow that we should do damage to our environmental protections.

"Mr. Speaker, I use the example of my own community. While during this downturn, I have seen one hospital break ground and complete in this time period, a major building project. A second hospital has also broken ground and is building much needed facilities along a busy roadway. I saw a new super Safeway go up, as well as a commercial building dedicated to health services. Another affordable rental housing condo is going up. Catholic Charities moved into my neighborhood and refurbished and renovated affordable housing, as well as their main campus. Stevenson Middle School is getting ready to break ground. All of these projects have gone up without these needed exemptions that people are crying willy-nilly for now.

"Mr. Speaker, the other problem I have with this bill is that it systematically, excludes the public from participating. In our democratic system of government, yes, voting is part of democracy, but so is being involved in the rule making process. So is being able to challenge our leaders. This bill again systematically excludes hard fought rights to challenge environmental decisions, by a very small exclusive group. Mr. Speaker, I choose the second path and I hope others will too. Thank you."

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Riviere rose to speak in opposition to the measure, stating:

"In opposition. Thank you. This has been some session, but I'll go straight to the point. I have been wondering what are all these environmental problems at the Maui Airport. What are all these environmental issues? So I looked into this and why we need to waive environmental rules and such. I find out that since 2007, there have been five major SMA permits issued for Kahului Airport, one of those in 2007 was for a security perimeter fence and it's been completed. Four others were approved in 2008 and 2009. Those are projects worth \$34 million and they've not been completed.

"So the SMA, the environmental studies, three years already approved. So to hear the proponents of these bills say, 'Gosh if we could just get the environment out of the way, we could really move some concrete.' I just

disagree. That's a scapegoat situation. And I just want to, for the Members, I want to clarify what is an SMA permit and what is the benefit of that.

"One of them is for this fuel facility at the Kahului Airport. It applied for the SMA permit in September 2008, and received Commission approval in June of 2009. So it took 9 months. What did it reveal and what did it find out? Okay, they have an environmental assessment exemption and during this permitting project, the project is valued at \$14 million, but it's funded by a consortium of airlines. But what does the estimate reveal? It revealed that they're going to require 18 feet of fill to elevate the fuel tanks above the tsunami inundation zone. It will have an oil and water separator on site. It will have security fencing and security oversight. And there will be burms and catchments for rainwater runoff so it does not enter nearby storm water culverts that lead to the ocean.

"This membership has been going hell bent to waive these kinds of reviews and oversights. It's dangerous policy indeed. This is a terrible bill. The whole idea to blanket exempt things is terrible. There is a process for exemptions. There's a process for review. Please Members, don't pass these bills. Opposition. Thank you."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker, in strong opposition to the measure. Mr. Speaker, I would like to have the North Shore Representative's comments inserted into the Journal as if they were my own. And Mr. Speaker, I received a very compelling email from a person that I don't believe is in my District, but was taking a look at what was going on with Senate Bill 755. He commented that, 'The House took a bill, Senate Bill 755, which was about a general excise tax exemption for retail sales, and changed to be about gambling. Gutted all that. And then proposed replacement language with the greatest hit of bad governance and misguided attitudes about the role of environmental protections in the economy. The bill is an egregious abrogation of the House's duties. First, where's the evidence that these exemptions will expedite projects. We haven't seen any.'

"And he goes on with, 'Second, are these exemptions really temporary? Probably not.' Mr. Speaker, it was a bad process that was followed or not followed. And I think that the title is very defective. I don't think that you can say, when you're gutting environmental protections, that it's Relating to Economic Development. Those two things don't go hand in hand. Thank you."

Representative Ching rose in opposition to the measure and asked that the remarks of Representatives Riviere and Thielen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Wooley rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Luke rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Carroll rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative M. Lee rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise with reservations. SB 755 SD2, HD2 authorizes temporary or permanent exemptions for some government projects from environmental requirements, including the special management area permit and shoreline setback variance requirements, permit and site plan

approval requirements, and environmental assessment requirements. This bill will erode protections of Hawaii's environmental and cultural resources by creating a myriad of special management area and environmental review exemptions in the name of expediting projects with any level of State or county funding. Permitting requirements and regulatory restrictions are in place for a reason. We need to be careful not to allow them to be eroded in a rush to promote economic development."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Morikawa rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with reservations. I just like the previous version better. Thank you."

Representative Pine rose to speak in support of the measure with reservations, stating:

"Reservations with just a couple of comments. My dad was a former hippy during the 70s, and I remember asking why he moved from California to Hawaii, and he married a local girl. And he said there's one thing so special about Hawaii that actually brings wealth to it, and that's the environment. I remember he would take my brother and I, and we would be driving along the street and he'd stop. And we knew what that meant. We all had to get out of the car and pick up trash. So he taught us how we need to always stop everything, no matter what we're doing in life, to make sure that we make Hawaii beautiful always, because it's what makes us so special.

"And so my reservations are, that I just feel like we're moving so fast this Session, and so fast in our urgency and with a good intention to provide jobs to our people. But as I've mentioned before, and I think other previous speakers have mentioned, is the risk going to be too much for the gain that we're trying to make? So I hope that we continue to pass bills to create jobs, but let's not be so hasty to change the laws that so many people have worked so hard for. Let's find a way to do both."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on SB 755, relating to exemptions for state construction projects designed to spur economic development. While I am supportive of positive, long-term development that takes into consideration the needs and preferences of its surrounding communities and the health of our environment, I have concerns about the potential for this measure to allow for blanket exemptions by State departments on certain special projects. I am also concerned that these exemptions may limit transparency and accountability by limiting public input on these projects.

"Our island's natural beauty and resources are not only inherent to the culture and heritage of this unique place, but they are also a pillar of our economy because so many visitors come to Hawaii specifically to enjoy our beaches, mountains and lush scenery. I believe our economic development is predicated on our ability to preserve and protect our natural resources. Balancing the needs of development and preserving the environment, I do not believe, are mutually exclusive and I think we have a responsibility to manage those two needs responsibly."

Representative Souki rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. I am strongly in favor of this measure. Our airport and our harbors are badly in need of expansion and repair. Over 97% of the goods we receive come through the air and through the water. And the

sooner we get on with these improvements and expansion that we have, the better it is for the people of the State of Hawaii. Thank you."

Representative Takumi rose to speak in support of the measure with reservations, stating:

"Thank you, very much, Mr. Speaker. Strong reservations. I actually prefer the original version of the bill, the tax holiday for school supplies.

"If the whole point of this bill is to help out, and I agree with the previous speaker, to fix our roads and harbors and all the rest of it, then it should go through the normal process of having that bill originally be introduced for that subject matter, and then go through the process. As it stands now, this bill has taken more positions than the Kama Sutra. Thank you."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Keith-Agaran rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Saiki rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 755, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," was referred to the Committee on Finance, with Representatives Belatti, Ching, Fontaine, Hanohano, C. Lee, Luke, Riviere, Saiki, Thielen and Wooley voting no, and with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1308-12) recommending that S.B. No. 3068, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 3068, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BAIL BONDS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1309-12) recommending that S.B. No. 2576, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2576, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1310-12) recommending that S.B. No. 682, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 682, SD 1, HD 2, be referred to the Committee on Finance, seconded by Representative Evans.

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative McKelvey rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative C. Lee rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Carroll rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Belatti rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Saiki rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Riviere rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Brower rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Johanson rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Har rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 682, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO KAKAAKO," was referred to the Committee on Finance, with Representatives Belatti, Brower, Hanohano, Har, C. Lee, Luke, Marumoto, McKelvey and Saiki voting no, and with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1311-12) recommending that S.B. No. 2876, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2876, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE COMMERCIAL HARBORS," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1312-12) recommending that S.B. No. 2492, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2492, SD 1, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Thielen rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"I rise in support with reservations on SB 2492, relating to dog breeding. I do believe this Body has an obligation to create legislation to prevent cruelty to animals, however, I am concerned that this measure may miss its intended target by instituting broad and indiscriminate consequences to all dog owners and breeders instead of those who are committing gross acts of animal cruelty. There are some requirements outlined in this measure that may be unreasonable and impractical for those animal caregivers who in fact want to properly care for and breed animals. In so doing, these responsible breeders are doing a service for these animals by providing proper and attentive care, exercise and living quarters for these animals.

"I truly understand, particularly in the wake of some of the recent disturbing acts of animal cruelty and hoarding, that there is a movement toward action to prevent these incidents from occurring again. However, I am concerned that this measure may punish law-abiding citizens who simply want to raise and breed animals in a humane way without deterring the true criminals this measure is aimed at punishing."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand with reservations of S.B. 2492-Relating to Animal Cruelty. This bill requires specified persons who own, control, or have custody or control of ten or more covered dogs to ensure the proper treatment and care of dogs and the dogs' offspring. It also prohibits any person from owning or having custody of more than thirty dogs. S.B. 2492 requires specified persons to maintain specific records for each dog for at least three years following the death of the covered dog or a date on which the person permanently ceased to have possession or control of the dog while prohibiting certain types of dogs in the same enclosure. This bill also establishes penalties.

"This bill is laudable as it is aimed at addressing the atrocious treatment of dogs discovered in the Waimanalo, but it could very well harm the majority of courteous, loving, and protective dog owners. This bill would effectively make it extremely difficult for responsible breeders and kennel club's to continue to properly care for their canines. This would limit the options for the people for Hawaii to own a local, responsibly bred dog in the future.

"Additionally, responsible canine experts were not consulted in the drafting of this legislation. Their input is necessary if animal cruelty laws are to be strengthened.

"Ultimately, I am concerned that the passing of S.B. 2492 will have an overall negative effect on the well being of our four legged companions. This measure would enforce the reduction of caring and responsible dog breeders and care takers in lieu of irresponsible, obscure breeders that work in the shadows of society. Thank you."

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Har rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition on Standing Committee Report 1312-12, Senate Bill 2492, Senate Draft 1, House Draft 1.

"Since the horrifying Waimanalo puppy mill case of last year, there have been several Senate and House bills introduced this Session attempting to address animal cruelty and irresponsible breeding. Senate Bill 2492, Senate Draft 1, House Draft 1 does not address these issues, but instead unfairly places the burden on responsible and caring dog owners. Many of the provisions in this measure are unnecessary and overreaching, and therefore detrimental to responsible dog owners. This measure would negatively impact responsible dog owners and breeders, and therefore limit the number of safe and reliable options for Hawaii residents to purchase a dog. Responsible breeders discouraged by this measure would only incentivize large scale commercial breeders to continue their operations, thus defeating the purpose of the bill.

"Numerous members of the public, many who are dog owners and dog fanciers and even my constituents, testified before the Senate Committee on Judiciary and Labor and the House Committee on Judiciary in strong opposition to this bill. If this measure passed, these lawful citizens and responsible dog owners would be subject to problematic and vague breeding restrictions that incorrectly single them out.

"During this Legislative Session I introduced House Bill 2161. This bill emanates from laws passed in 18 other states and promotes healthy breeding practices and dog purchaser protection. Though HB 2161 has been deferred, I still believe it is the type of legislation that will be most successful in ensuring animal welfare as bills with similar language have become law in eighteen other states.

"While the intent of SB 2492, SD1, HD1 is to prevent negligent breeding practices and dissolve the creation of puppy mills, the bill is detrimental to responsible dog breeders and dog fanciers, the very people we rely on for purchasing our dogs.

"For these reasons, I stand in opposition on this measure. Thank you, Mr. Speaker."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Chang rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Thielen rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Thielen's written remarks are as follows:

"I will be voting with reservations on SB2492 SD1 HD1 which was introduced to prevent puppy mills and other acts of animal cruelty. All of us were shocked and saddened that the owners of the Waimanalo Puppy Mill were able to evade 153 animal abuse convictions as well as hundreds of thousands of dollars in civil judgments and fines. Unfortunately, even if SB2492 SD1 HD1 was law when the Waimanalo Puppy Mill was raided, officers of Bradley International would still be able to escape prosecution based on protection under their corporate structure.

"Although SB2492 has been amended many times, it is still confusing and contains standards of care which are unenforceable. The latest amendment, HD1, offers exemptions for "a person entered in and actively

participating in a sanctioned dog show" as well as "a boarding facility that only houses dogs temporarily and prohibits the breeding of dogs or selling of dogs". These exemptions were added in order to address concerns from responsible hobby breeders and fanciers. Unfortunately these latest amendments provide even more loopholes which could be easily exploited by irresponsible large scale dog breeders. The owner of the Waimanalo Puppy Mill would only have to prove that he had entered one dog show to be exempted. Boarding facilities are currently not licensed and it may be difficult to determine which dogs are boarders and which are permanently housed in a kennel, especially if that kennel takes long term boarders.

"Due to the continued restructuring of this bill, it is apparent that we do not have legislation which will meet the intended purpose of SB2492 SD1 HB1, which is to stop puppy mills and animal abuse. This bill appears to have become a "catch all" for many different concepts and is not ready to become law. In fact, SB2492 SD1 HD1 may have created additional loopholes for puppy mill owners. As legislators we are tasked with enacting laws which are effective as well as enforceable. I would like to encourage all stakeholders, including responsible dog breeders, rescue organizations, veterinarians, and the Attorney General to come together and draft legislation which would put an end to animal abuse and puppy mills without taking away private property rights or the ability of dog fanciers to continue hobby breeding."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2492, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," passed Second Reading and was referred to the Committee on Finance, with Representatives Chang and Har voting no, and with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1313-12) recommending that S.B. No. 2588, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2588, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LIMITATION OF ACTIONS," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1314-12) recommending that S.B. No. 2579, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2579, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MINORS," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1315-12) recommending that S.B. No. 2998, SD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2998, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX PENALTIES," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1316-12) recommending that S.B. No. 2571, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2571, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO

DOMESTIC RELATIONS," passed Second Reading and was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1317-12) recommending that S.B. No. 2123, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2123, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Keith-Agaran, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 1318-12) recommending that S.B. No. 2386, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2386, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE NATIVE HAWAIIAN ROLL COMMISSION," was referred to the Committee on Finance, with Representative Herkes being excused.

Representative Souki, for the Committee on Transportation presented two reports:

(Stand. Com. Rep. No. 1319-12), recommending that H.R. No. 95, be referred to the Committee on Judiciary; and

(Stand. Com. Rep. No. 1320-12), recommending that H.C.R. No. 124, be referred to the Committee on Judiciary.

Representative Chong moved that the reports of the Committee be adopted, and that H.R. No. 95; and H.C.R. No. 124, be referred to the Committee on Judiciary, seconded by Representative Evans.

Representative M. Lee rose in support of both measures and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HR 95 and HCR 124, Relating to driving illegally with a revoked license.

"The purpose of these Resolutions is to conduct a study of vehicle immobilization as a sanction against operating a vehicle under the influence of an intoxicant offender. This is an important next step in determining the effectiveness of such a sanction. It is crucial to study the implications of this law because Hawaii recently approved Act 166, the most recent Ignition Interlock law. A vehicle immobilization sanction would require offenders to have a "boot" or "club" placed on their vehicle to prevent mobilization. Vehicle immobilization would strengthen the Interlock law by addressing non-compliant offenders using a fair and reasonable punishment. This sanction would deter and prevent the offender from driving when they are at risk to themselves and others on the road.

"Developing a plan to use vehicle immobilization is an important measure that could help make our roads significantly safer. By increasing the penalties for offenders, the proposed program, in conjunction, with the successful interlock law would serve a powerful deterrent for anyone tempted to drive without a valid license. Immobilizing a vehicle is a sanction that is relatively simple while avoiding the challenges and costs associated with impoundment or forfeiture. The Resolutions would authorize a working group to study, analyze and develop solutions to the problems and issues associated with immobilization. Questions and concerns regarding a statewide immobilization program will be a priority in the study. Ultimately, there should be fewer crashes caused by high risk and these Resolutions support an important step towards keeping our roads safe.

"I urge the Members' support."

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.R. No. 95, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT A STUDY OF VEHICLE IMMOBILIZATION AS A SANCTION FOR OPERATING A MOTOR VEHICLE WITH A LICENSE REVOKED OR SUSPENDED FOR OPERATING A VEHICLE UNDER THE INFLUENCE OF AN INTOXICANT," was referred to the Committee on Judiciary, with Representative Herkes being excused; and

H.C.R. No. 124, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT A STUDY OF VEHICLE IMMOBILIZATION AS A SANCTION FOR OPERATING A MOTOR VEHICLE WITH A LICENSE REVOKED OR SUSPENDED FOR OPERATING A VEHICLE UNDER THE INFLUENCE OF AN INTOXICANT," was referred to the Committee on Judiciary, with Representative Herkes being excused.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 1321-12), recommending that H.C.R. No. 107, be referred to the Committee on Higher Education.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.C.R. No. 107, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE CREATION OF AN EXPLORATORY COMMITTEE TO CONSIDER THE ESTABLISHMENT OF AN INTERNATIONAL AVIATION TRAINING CENTER AT THE HILO INTERNATIONAL AIRPORT AND AN ADVANCED AVIATION DEGREE TRAINING PROGRAM AT THE UNIVERSITY OF HAWAII AT HILO," was referred to the Committee on Higher Education, with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1322-12), recommending that H.C.R. No. 58, as amended in HD 1, be referred to the Committee on Consumer Protection & Commerce.

Representative Chong moved that the report of the Committee be adopted, and that H.C.R. No. 58, HD 1, be referred to the Committee on Consumer Protection & Commerce, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I am rising to vote against this measure, and I'd like to explain why. Mr. Speaker, one of the specific renewable energy scenarios in House Concurrent Resolution No. 58 is the undersea cable. I don't support something like that language unless it would specify that Lanai and Molokai would not be part of that undersea cable. That those islands wouldn't be burdened with being the energy source to serve the Island of Oahu.

"So, while I do support a cable running from Maui to Oahu, if it is done in an environmentally sensitive way, I don't support one that would point the gun at Lanai and Molokai. And unfortunately, this Resolution is way too general. Thank you."

Representative Carroll rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.C.R. No. 58, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE PUBLIC

UTILITIES COMMISSION TO DIRECT ELECTRIC UTILITIES TO EXAMINE SPECIFIC RENEWABLE ENERGY SCENARIOS IN THE INTEGRATED RESOURCE PLANNING PROCESS," was referred to the Committee on Consumer Protection & Commerce, with Representative Thielen voting no, and with Representative Herkes being excused.

Representative Coffman, for the Committee on Energy & Environmental Protection presented a report (Stand. Com. Rep. No. 1323-12), recommending that H.C.R. No. 98, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.C.R. No. 98, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE OFFICE OF SOLID WASTE MANAGEMENT TO DEVELOP A PLAN OF INITIATIVES FOR IMPROVED REUSE AND RECYCLING OF GREEN WASTE BY WORKING WITH THE COUNTIES TO ADDRESS EACH COUNTY'S UNIQUE NEEDS ACCORDING TO THEIR GEOGRAPHY, POPULATION, AND UNIQUE INDUSTRY MAKE-UP," was referred to the Committee on Finance, with Representative Herkes being excused.

ANNOUNCEMENTS

Representative Riviere: "Thank you, Mr. Speaker. March 24th, tomorrow, Saturday, there will be a kickball match between House Republicans and House Democrats. Staff and Members. Anybody that's not already booked up your day for tomorrow, around 10:00 tomorrow, at Kaneohe District Park. I think Phase 2 to be specific. We'll be there. It's an all day tournament. It's a fundraiser for a non-profit organization, so we'll be supporting them. It should be fun. Come on out and see what happens. Mahalo."

Representative Tokioka: "I'd just like to remind everybody that today is the deadline if you want to order lemon crunch cake from Aiea Bowl to support the Kauai Independent Food Bank. And on behalf of the other two Representatives from Kauai, we'd like to ask you to support that. All of the proceeds will be going to the Kauai Independent Food Bank. Thank you very much, Mr. Speaker."

Representative Ching: "Thank you, Mr. Speaker. I tend to do this on an annual basis, and I have a couple of announcements. The first one would be, I would be remiss, as a former elementary school teacher, if we didn't mention why we have Monday off. Prince Kuhio Kalaniana'ole. He was, on behalf of perhaps my Kauai friends and colleagues, he was an incredible person. He was the one who started the Hawaiian Homes Commission Act in Congress.

"He did so much for the people of Hawaii. He was born not far from my District. He was born in Pauoa. He's a big part of our history, and I think it's important that we share with our young ones, what he did and who he was.

"But on another sadder announcement, Mr. Speaker, if I may ask for a moment of silence at this point for another fine person who has contributed so much to the State of Hawaii. Dr. Max Botticelli, passed away, and Dr. Botticelli was a leader in the tremendous advancement and the quality of health care in our State. It can be attributed to the training at our John A Burns School, the Queen's Medical Center, Kuakini Medical Center, Hawaii Pacific Health Medical Center and Wahiawa Hospital. He has done so much for the people of Hawaii, and dedicated his life to his people. So at the appropriate time, I'd like to ask for a moment of silence for Dr. Max Botticelli and his family. Thank you."

Representative Belatti: "Mr. Speaker, I just join in that request. Dr. Botticelli was not only a constituent, but also a neighbor who lived in my building and always offered a kind smile to me and my family. So I join in that request."

At this time, the Members of the House of Representatives stood for a moment of silence in honor of the late Dr. Max G. Botticelli.

COMMITTEE REASSIGNMENTS

The following measures were re-referred to committee by the Speaker:

H.C.R.**No. Re-referred to:**

168 Committee on Health, then to the Committee on Finance

S.B.**No. Re-referred to:**

1142, Committee on Finance
SD2

ADJOURNMENT

At 2:07 o'clock p.m., on motion by Representative Evans, seconded by Representative Pine and carried, the House of Representatives adjourned until 12:00 o'clock noon, Tuesday, March 27, 2012. (Representatives Chang and Herkes were excused.)