

Prevailing Winds

Special Edition - The 2011 Legislative Report

District 24 - Manoa, University, Moili'ili



This special edition of *Prevailing Winds* was drafted while I was at Navajo Lake, Utah. The governor's veto deadline passed, and the bills I introduced that did pass the legislature survived this list. I naively thought that none of our bills would get vetoed. After all, we were the only body of government that vetted the bills through the public hearings process. The department directors who were appointed by the governor also got to comment and have input into these measures. I was hoping that with a new governor our bills would pass muster, but I guess there will always have to be bills vetoed for various reasons, including fiscal and technical concerns. The learning curve is very steep in politics.

This legislative session was again dominated by the lack of General Funds and the inability for us to meet the core services required by the residents of our state. Being the third year of program cuts, the selection of possible reductions was becoming very slim. But, with great determination, we did manage to move government forward during these trying times.

Let me first report on some of the initiatives that were successful in passing. As you know, *crime* is a concern that we all take very seriously, especially because of our aging residents in our district. There were several incidents of home invasions in our district. In one incident, the perpetrator who was caught was charged with mere trespassing. The legislature passed **SB1025 (Act 187)**, making it now a felony to unlawfully enter a home of a person age sixty and older, or a home of a disabled person. This measure is not without its critics; people who wanted to give judges more discretion in sentencing and prison advocates opposed the bill.

Economic diversification and job creation have been topics of discussion throughout my lifetime.

I can still remember the time when sugar and pineapple were our number one economic drivers. Tourism was third behind military spending. In most peoples' minds, the only way government can create economic activity is to give some kind of tax credit or tax preference to a particular industry to subsidize their chances of success, sustainability or growth. But two conditions hamper the probability of success with this theory. *First*, the chances of government choosing winners are very small, if non-existent. *Second*, the preference given becomes a crutch for that industry. I believe we can *create laws for new industries to grow and create jobs without giving away the store*. **HB1447 (Act 161)** is my way of creating jobs, diversifying the economy and attracting capital to Hawaii. **The Hawaii Permitted Transfer in Trust Act** is a new financial instrument that will help the financial services industries sell a new product. The last time we did something like this was for Captive Insurance companies back in the eighties. If this initiative is successful, I will be introducing other measures to diversify our economy by giving businesses the tools for success.

Graffiti continues to be on my mind as we amended our bill from last year to make sure that the people who are caught and have to clean up the graffiti can safely accomplish the task. This is, again, an attempt to make the consequences of crime a deterrent to crime. Again, there was opposition to this bill. **HB555 (Act 156)**

"Bring home the bacon" is important to our district. I am happy to report that all requests for Capital Improvement Projects (CIPs) in District 24 passed. **Manoa Elementary School will have its "Black Top" repaved and Noelani Elementary School will get a very much needed library expansion.** Of course, our beautiful **new Manoa Public library is fully-funded**

both inside and out and will be a nice addition to our community.

Examples of the more controversial bills that I introduced that **did not** make it through the legislative process are:

HB82 basically required all special trust and revolving funds to justify their existence and report their balance to the legislature. This bill made it through the House and was killed in the Senate.

HB829 required the homeless to go to the shelters between 9:00 PM and 6:00 AM and be off the streets during these times. This bill died in the House.

HB1470 required elected officials to get tax clearance.

Certain tax fairness bills were killed by the Senate:

HB1180 Controlled interest transfer tax and **HB1183** on internet purchases tax. As a strong supporter of local small businesses, these measures would have leveled the playing field for our businesses.

I would like to take some time to share some thoughts on the upcoming 2012 legislative session. *Crime prevention and education* will always be on my mind. *My tax philosophy will always be based on fairness*; when individuals or businesses receive a tax preference, the rest of us have to pay more. The super majority of businesses never get a tax preference throughout their careers. I never did. We should all be treated equally. This also includes compliance measures which make sure that everyone pays the right amount of taxes owed.

Homelessness is a problem that is complex but must be managed. If you notice, I said "managed" because I believe that we will not be able to solve the problem. *Education* is the key to economic diversification. *Workforce development* is an area where government can take the lead. But we must be realistic that education is not a panacea for all of our problems. How we manage the delivery of these educational services is going to be the challenge for policy makers in the future. *Sustainability* is another area where decisions have to be made. Are we going to have an energy generation plant on every roof, or major

generation plants powered by the wind, sun or volcanoes?

With our limited rate paying base, it will be a challenge to pick the right technology. My freshman class initiated the "*barrel tax*" during our first session, to fund the sustainability ideas being studied. We now have the means to implement our energy policies. Let us see if our state government has the skills to get the job done.

Government can always be made better. With the economy improving and employment rate increasing, we must now turn our efforts from chasing a deficit to making Hawaii a better place to live. Unfortunately, not everyone will agree to the direction and the speed the canoe is paddled, but, hopefully, we, at the very least, can move it forward.

Speaking of education, I have been appointed to the *National Conference of State Legislatures (NSCL) Committee on Budget and Revenues, and the Council of State Governments (CSG-West) committees on Suggested State Legislation, Fiscal Affairs, Western Economic Development and International Trade*. I am excited to meet other legislators and discuss a lot of these issues which are similar to ours in other areas of the country. Hopefully, I can bring home some ideas that are relevant to our state and begin the implementation process.

Well, that is it for this session. I have included a short synopsis of other bills of interest that were passed in the legislature, including the state budget. If you would like to discuss any of these measures with me, I would be more than happy to do so.

Aloha,



Isaac W. Choy, State Representative
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THE STATE BUDGET

At the start of the session, the primary challenge of the legislature was how to rectify a \$1.3 billion deficit (over the period including the current FY11 and the next biennium FY12 and FY13), after facing and closing a \$2.1 billion deficit in 2009 and another \$1.2 billion in 2010. As in 2009 and 2010, the legislature achieved a balanced budget this year through a combination of budget cuts and increasing revenue. About half of the deficit was closed by making cuts to the State budget, and we avoided having to raise the general excise tax (GET) which would have seriously impacted every resident and business in the state.

How the Budget Was Balanced



Rep Choy explains the State Budget at a Community Town Meeting

HB200 (Act 164) State Budget Bill - Covers the next two years and appropriates \$5.4 billion in General Funds (\$11 billion in All Means of Financing (MOF)) for FY2012, and \$5.5 billion (\$10.9 billion in All MOF) for FY2013. In order to solve a projected deficit of about \$1.0 billion over the next biennium, the legislature made over \$600 million in cuts and passed revenue generating or transfers bills totaling over \$600 million (the financial plan leaves a healthy projected surplus in case revenue projections fall again.)

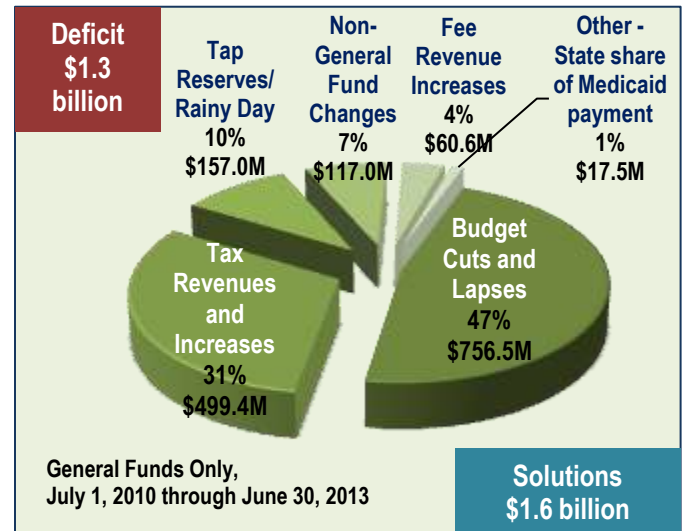
Included in the cuts are labor savings of \$88.2 million in each year of the biennium on the assumption that most state workers will take a 5% pay cut. In addition, the legislature passed **HB575 (Act 57) Extension of salary cuts** which extended a 5% pay cut for state legislators, judges, the governor, lieutenant governor, and department heads and deputies.

Revenue generation bills include:

SB120 (Act 124) - Non-general fund transfers - Transfers \$38 million from special funds to the general fund.

SB570 (Act 97) - Tax deduction – Eliminates the deduction for state taxes paid for high income individuals, temporarily limits itemized deductions for high income individuals, and delays the standard deduction increase for low-income filers. **Generates \$113.5 million.**

SB754 (Act 105) - Repeal GET exemptions - Repeals various GET business exemptions for 2 years. **Generates \$385.8 million.**



SB1186 (Act 103) - TAT and HTA Cap - Caps the counties' share of the Transient Accommodations Tax (TAT) until 2015 generating \$40.4 million. Caps the TAT going to the Hawaii Tourism Authority **generating \$34.9 million.**

HB1039 (Act 104) - Rental Vehicle

Surcharge – Increases the rental vehicle surcharge for one year and diverts the increase to the General Fund for FY12 only. **Generates \$60 million for FY12.**

Capital Improvements (CIP) – The budget bill includes an investment in local infrastructure, mostly through the issuance of general obligation (GO) bonds, to help stimulate job creation through the construction industry and to ensure that state facilities are properly maintained. Total appropriations (all means of financing) for CIP projects are \$1.8 billion in FY12 and \$1.0 billion in FY13 (of those totals, GO bond appropriations are \$1.0 billion in FY12 and \$412 million in FY13). **The CIP budget funds:**

\$816M for Dept of Transportation projects-Airports, Highways, Harbors

\$328M for Dept of Education projects, incl. charter schools & public libraries

\$174M for the University of Hawaii system

\$149M for the Dept of Health & the state hospital system through the Hawaii Health Systems Corporation

\$7.8 M to repair and reconstruct infrastructure due to tsunami damage

\$20M for various grants to nonprofit organizations

Highlights of the 2011 Legislative Session

Government Reform

HB1038 Employees' Retirement System Unfunded Liability. For state and county workers hired prospectively (after June 30, 2012), the bill makes needed changes by decreasing employees' benefits and increasing contribution rates in order to maintain the retirement system in a fiscally responsible manner and reduce the state's unfunded liability in the future. **(Act 163)**

Protecting Consumers, Business and Labor

HB467 Whistle Blowers' Protection. Provides additional protection to public employees who report violations of the law or government contracts and expands the Department of Labor & Industrial Relations responsibilities regarding whistleblowers. **(Act 166)**



HB828 Cash Economy. Provides that it shall be unlawful to knowingly conduct more than 10 taxable business transactions per day in cash and fail to offer a receipt and to maintain a generated record of all business transactions conducted each day. Amends provisions relating tax administration and repeals provisions relating to cash registers. **(Act 102)**



HB1447 Permitted Transfers in Trust Act. Amends provisions of the Permitted Transfers in Trust Act governing transfers of property from a transferor to a trustee by means of an irrevocable trust instrument. **(Act 161)**

SB651 Mortgage Foreclosures. With the passage of this bill, Hawaii has one of the strongest mortgage foreclosure laws protecting owner-occupants in the country. The new law establishes a 3-year Mortgage Foreclosure Dispute Resolution Program for non-judicial foreclosures beginning no later than October 1, 2011. The law voids any mortgage foreclosure actions taken by an unlicensed nonexempt mortgage servicer. Also prohibits egregious misconduct by foreclosing mortgagees and authorizes the conversion from non-judicial to judicial foreclosure process. **(Act 48)**



Congratulations!

**2011 Hawaii State
Teacher of the Year**

Kristen Brummel

**Noelani Elementary
School**

Improving Education

HB688 School Bullying. Provides for a safer learning environment by requiring the Board of Education to monitor the Department of Education for compliance with the rules and statutes on bullying, harassment, and cyber-bullying. Requires a compliance report to the Board. **(Act 214)**

HB945 Student Instructional Time. Implements the minimum school year and student instructional hours requirements passed last session in a feasible and fiscally responsible way. Exempts multi-track schools from the requirement, staggers the implementation of the student instructional hours requirements, permits waivers, and requires the DOE to assess the ability of schools to comply. **(Act 52)**

SB8 Appointed BOE. Implements the constitutional amendment passed by voters in 2010 requiring that the Board of Education members be appointed by the governor with the advice and consent of the Senate. Allows the governor to nominate candidates directly and requires those nominees to meet certain qualifications. **(Act 5)**

SB1485 Reconstituting Schools. Authorizes the Superintendent of Education to reconstitute public schools that are failing, not including charter schools. Under reconstitution, the superintendent may replace staff, contract with a private entity to manage the school, and/or change the membership of the school community council. **(Act 148)**

Promoting Renewable Energy

HB1520 On-Bill Financing. Supports the state's clean energy objectives by requiring the Public Utilities Commission (PUC) to investigate an on-bill financing program that would allow electric company (i.e. HECO) customers to purchase or acquire a renewable energy system or device, and provide for billing and payment through the customer's electricity bill. Allows the PUC to implement such a program. **(Act 204)**

SB1244 Biofuels. Expands the renewable energy siting process to include biofuel production facilities with the capacity to produce and distribute 100,000 gallons or more of biofuel annually. **(Act 199)**

SB181 Photovoltaic for Single Family Homes. Establishes a working group to determine the feasibility of requiring all new residential single family construction to incorporate the design and minimum installation equipment needed for future adoption of a photovoltaic system. **(Act 198)**

Protecting the Environment



HB865 Invasive

Species. Provides the state with increased revenue to detect, quarantine and eradicate invasive species.

Coqui Frog Informational Meeting drew over 100+ concerned residents to Manoa Elementary School.

This measure raises inspection fees from 50 cents to 75 cents per 1,000 pounds of freight, or part thereof, brought into the state. **(Act 36)**



Health

HB597 Quality Assurance Committees.

Establishes that the proceedings and records of quality assurance committees made up of members from various healthcare organizations have similar protections as committees formed in hospitals, HMO's and statewide trauma care systems. Increases patient safety and overall quality of care. **(Act 176)**

SB1348 Health Insurance Exchange. Establishes the Hawaii Health Connector, the state's health insurance exchange, pursuant to the federal Patient Protection and Affordable Care Act of 2010. The Connector will facilitate the purchase and sale of qualified health and dental plans, enable consumers to purchase coverage and manage health and dental plans electronically, and serve as a clearinghouse for information. **(Act 205)**

HB484 Advanced Practice Registered Nurses.

Requires hospitals to allow advanced practice registered nurses to practice within the full scope of their allowable practice, including as a primary care provider. Authorizes prescriptive authority to request and dispense manufacturer's pre-packaged samples of over-the-counter and non-controlled legend drugs. **(Act 110)**

Transportation

SB1328 Vehicle Registration Fees. Improves the Department of Transportation's ability to construct, operate and maintain the State Highway system by increasing the motor vehicle registration fee from \$25 to \$45, and increase the portion deposited into the State Highway Fund. **(Act 162)** **SB1329 Vehicle Weight Tax.** Increases the vehicle weight tax in order to improve and better maintain state highways. **(Act 86)**

Human Services

HB56 Grandparent Visitation. In child custody cases, permits the court to allow reasonable visitation for grandparents if the denial of visitation causes significant harm to the child. **(Vetoed)**

HB616 Child Custody Visitation. Clarifies that visitation rights may include visitation by electronic communication. Allows the court to set conditions for electronic communication visitation, and prohibits it in certain circumstances. **(Act 191)**

HB1654 Relating to Group Living Facilities.

Terminates a conditional use permit issued by a county agency to facilities intended for group living facilities or group homes that do not use the permits or cease operations for one year. **(Vetoed)**

Public Safety

HB318 VOG Impact. Establishes an interagency task force to determine impact of vog on Hawaii residents and to find ways to address the multitude of issues. **(Act 229)**

SB1025 Assault of Firefighters and Water

Safety Officers; Home Invasions. Adds the assault of firefighters and water safety officers to the offense of assault in the second degree. Also creates a class B felony for unauthorized entry into a dwelling, based on the occupant's age and incapacity. **(Act 187)**

Civil Rights

SB232 Civil Unions. Extends the same rights, benefits, protections, and responsibilities of spouses in a marriage to partners in a civil union. Takes effect Jan. 1, 2012. **(Act 1)**

Hawaii State Legislature Regular Session of 2011

	Introduced	Passed	Acts	Vetoed
House Bills	1,665	130	123	7
Senate Bills	1,559	122	112	10
TOTAL	3,224	252	235	17

For a Complete List of Bills that Passed the 2011 Legislature:

<http://lrbhawaii.info/reports/legrpts/lrb/2011/>

NEW Laws Enacted:

(Bill#, Act#, Effective Date)

<http://www.capitol.hawaii.gov/session2011/lists/RptActs.aspx>

Rep Choy's House Member Web Page

Featuring Rep Choy's:

- Messages
- Monthly e-newsletter "*Prevailing Winds*"
- Photo galleries
- Manoa NSW Program
- Measures Introduced & Bill Action
- District 24 Community Meetings

Also links to:

- House & Senate
- Bill Status & Documents
- Hawaii Revised Statutes (HRS)
- State, County & Federal government links and so much more...

<http://www.capitol.hawaii.gov/session2011/members/house/memberpage.aspx?member=choy>



Capitol Visitors



Team Manoa

Senator Brian Taniguchi, Senate District 10
 Councilmember Ann Kobayashi, Council District 5
 Representative Isaac Choy, House District 24

District 24 Capital Improvement Projects

Manoa Elementary School	
Plans, design and construction for the resurfacing of the blacktop play area for the students.	\$500,000
Noelani Elementary School	
Design and construction to expand the current school library space for an expanded library collection, workspace and inclusion of a technology media center within the library.	\$1,000,000



Would you like to be able to:

- ▶ **Instill** a greater sense of security, well-being & reduce the fear of crime in your community as well as a greater "sense of community" and put the "neighbor" back in "neighborhood?"
- ▶ **Reduce** the risk of being a victim?
- ▶ **Be prepared** to respond to suspicious activity?
- ▶ **Access** HPD crime activity info in your neighborhood?
- ▶ **Network** with and be able to receive updated info from the Manoa NSW blog, be on the email blast alert list, access to program resource material, meetings, support from HPD, other Manoa NSWs and Team Manoa?

If you answered **YES** to any of the questions above and would like to receive more information on how you can form a **NSW** in Manoa and be a part of the

MANOA NSW NETWORK:

CONTACT: Carole from the office of Representative Isaac Choy at 586-8475



To be **GREEN** and conserve on paper and mailing costs, future issues of *Prevailing Winds* will be emailed to our readers.

If you would like sign up to be on our email blast list, **EMAIL** Carole at: c.hagihara@capitol.hawaii.gov