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Holomua

moving forward

House District One · Rural South Hilo · North Hilo · Hāmākua · Kohala

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Honoka'a High School Jazz Band

2011 Grammy Winners



The Honoka'a High School Jazz band performed on the ground of Iolani Palace as one stop in their "Big City Tour 2011" in celebration of National Jazz Month this past April.

Dear Friends,

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.

The House proposed a tax on pensions for individuals with a taxable income of more than \$100,000 and couples with a taxable income of more than \$200,000. In the end, we were able to balance the budget without including a tax on pensions due in part to a vote by 23 members against the pension tax bill.

Aloha and Best Wishes.

Mark Nakashima

2011 Bills Signed into Law

Revenue Generation

SB570 Tax deduction (Act 97) – 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 Repeal GET exemptions (Act 105) - Repeals various GET business exemptions for 2 years. Generates \$385.8 million.

SB1186 TAT and HTA Cap (Act 103) - 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.

Government Reform

HB1038 Employees' Retirement System unfunded liability (Act 163) - 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.

Protecting Consumers, Business and Labor

SB651 Mortgage foreclosures (Act 48) - With the passage of this bill, signed into law as Act 48, 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 non-exempt mortgage servicer and prohibits egregious misconduct by foreclosing mortgagees. Among other things, the



Kohala High School at First Robotics Competition in Honolulu

law also permits under certain circumstances the conversion of non-judicial foreclosures to judicial foreclosures. The law prohibits deficiency judgments after non-judicial foreclosures under certain circumstances. It also requires certain large mortgage servicers to maintain an office in Hawaii to address consumer inquiries, complaints, and to accept service of process starting July 1, 2012. There is now a moratorium on any new non-judicial foreclosure under the old process until July 1, 2012.

HB141 Labor trafficking (Act 146) - Establishes Class A and B felony offenses for labor trafficking, an offense for nonpayment of wages, and an offense for unlawful conduct with respect to documents.

SB1089 Dislocated workers (Act 137) - Requires the Department of Labor and Industrial Relations to enforce Hawaii's dislocated worker law. Employers in a covered establishment must provide notification to employees and the state of a closing, divestiture, partial closing or relocation at least 60 days prior.

Improving Education

SB8 Appointed BOE (Act 5) - 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.

HB688 School bullying (Act 214) - 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 cyberbullying. Requires a compliance report to the Board.

SB1485 Reconstituting schools (Act 148) - 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.

Promoting Renewable Energy

HB1520 On-bill financing Act 204) -

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.

SB181 Photovoltaic for single family

homes (act 198) - 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.

Protecting the Environment

HB865 Invasive species (Act 36) - Provides the state with increased revenue to detect, quarantine and eradicate invasive species. Signed into law as Act 36, the



Honokaa High School Girls Basketball Team introduced to the House of Representatives

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

Health

HB597 Quality Assurance Committees (Act 176) - 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.

HB484 Advanced practice registered nurses (Act 110) - 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.

Capital Improvement Included in the Budget

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).

Lower Hamakua Ditch Watershed Project\$ 4,700,000	Rockfall Protection Laupahoehoe, Kaawalii and Maulua Gulch Design\$ 2,000,000	UH-Hilo Student Housing Plan, Design, Construction.....\$32,000,000
Natural Energy Lab Seawater Pipe Up- grade.....\$ 3,500,000	Kapehu Bridge Replacement Land and Design.....\$ 1,900,000	UH-Hilo Living Learning Community Design, Construction and Equipment\$ 8,000,000
Pahoehoe Stream Bridge Replacement Land and Design.....\$ 1,150,000	Hakalau Bridge Drainage Improvements Construction.....\$ 2,000,000	Kohala High School STEM/ Science Building Plans and Design.....\$ 800,000
Kaalau Stream Bridge Replacement Land and Design.....\$1,800,000	North Hawaii Education and Research Center Plans and Design.....\$ 600,000	
Umauma Stream Bridge Rehabilitation.....\$20,000,000		

2011 Bills Signed into Law

Transportation

SB1328 Vehicle Registration Fees (Act 162) - 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 increased the portion deposited into the State Highway Fund.

Housing

HB960 Low income housing tax credits (Act 158) - Authorizes the Hawaii Housing Finance and Development Corporation to grant no-interest low-income housing tax credit loans in order to encourage the development and preservation of rental housing for lower income families.

SB903 Affordable rental units (Act 193) - Creates the affordable rental housing development program. Allows non-profits to acquire expiring federal housing contracts to ensure that projects remain as affordable housing.

Human Services

HB739 Community care foster family homes (Act 221) - Community care foster family homes that accept a third client are required to be certified and in operation for at least one year, have substitute caregivers who are nurse aides and who have completed a state-approved training program. Requires the Department of Human Services to adopt

rule for community care foster family homes with three clients.

Promoting Economic Revitalization

HB331/SB1530 Public land lease extensions (Act 207 and Act 219 respectively) - Authorizes the Board of Land and Natural Resources to extend leases of public lands. HB331 allows the Board to extend the fixed rental period or term of certain leases provided the

fense 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.

Civil Rights

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



Honokaa High School Leadership Class at the Relay for Life

initial term and extension does not exceed 65 years. SB1530 pertains to leases for hotel or resort use upon approval of a development agreement outlining significant improvements to existing property.

HB1342 Broadband infrastructure (Act 151) - Exempts broadband infrastructure improvements from state and county permitting for five years under certain conditions.

Public Safety

SB1025 Assault of firefighters and water safety officers; Home invasions (Act 187) - Adds the assault of firefighters and water safety officers to the of-

Native Hawaiians

SB1520 Native Hawaiian roll commission (Act 195) - Establishes a 5-member commission in the Office of Hawaiian Affairs to prepare and maintain a roll of qualified native Hawaiians. The commission is required to publish

the roll to facilitate the start of a commencement for the purpose of organization.

SB2 Public land inventory (Act 54) - Requires the Department of Land and Natural Resources to establish a public lands information system. The purpose is to maintain comprehensive information about the lands held in the public land trust as described in the Admission Act of the Hawaii State Constitution. The trust status of these lands will be further studied and reviewed for accuracy.