

**THIRTY-SEVENTH DAY****Friday, March 21, 2014**

The House of Representatives of the Twenty-Seventh Legislature of the State of Hawaii, Regular Session of 2014, convened at 12:11 o'clock p.m., with Speaker Souki presiding.

The invocation was delivered by Bishop Carl E. Harris of Emmanuel Temple, The House of Praise, after which the Roll was called showing all Members present with the exception of Representatives Oshiro and Yamane, who were excused.

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

**DEPARTMENTAL COMMUNICATIONS**

The following departmental communication (Dept. Com. No. 81) was received by the Clerk and was placed on file:

Dept. Com. No. 81, from the Office of the Auditor, dated January 31, 2014, transmitting the FY2013 financial statement audit reports for the Department of Accounting and General Services, State Motor Pool Revolving Fund; Department of Accounting and General Services, State Parking Revolving Fund; and the Oahu Metropolitan Planning Organization.

**INTRODUCTIONS**

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

Representative Fale introduced students of social work from Brigham Young University Hawaii, Professor Kunz and Mr. Moeai; and Seaside Rugby players.

Representative Takayama, on behalf of Pearl City Representatives, introduced members of Boy Scout Troop 75 and Cub Scouts based in Pearl City: Ian Eshelman, Justin Basuil, Matthew Ogata, Matthew Kuwabara, Devin Kiyohiro, Gavin Verson, Eric Rivera, Evan Eshelman and Riley Basuil; Assistant Scoutmaster, Mr. Jeffrey Eshelman; Merit Badge Counselor, Mrs. Andrea Eshelman; and parents: Mrs. Carole Basuil and Mr. Steven Ogata.

Representative Mizuno introduced Ko'olau Clubhouse and the Hawaii Clubhouse Coalition; Ms. Jennifer Ing; and Mr. Alex Santiago of FOCUS.

Representative Carroll introduced students of social work and faculty from University of Hawaii, Hawaii Pacific University, and Brigham Young University; social workers and the National Association of Social Workers; Social Work Legislative Day planning committee, Mr. Chris Slavens, Ms. Karissa Cheng, Ms. Sherrie Gillespie and NASW Director Mr. Marty Oliphant; and Representative's staff, Ms. Rebecca Bernal.

**ORDER OF THE DAY****REPORTS OF STANDING COMMITTEES**

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1101-14) recommending that S.B. No. 2048, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2048, SD 1, HD 1 pass Second Reading and be referred to the Committee on Judiciary, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. In my private job I work for the cable company. Thank you, 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. 2048, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CABLE TELEVISION SYSTEMS," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

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

The House of Representatives reconvened at 12:23 o'clock p.m.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1102-14) recommending that S.B. No. 2481, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2481, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1103-14) recommending that S.B. No. 2702, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2702, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1104-14) recommending that S.B. No. 702, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 702, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHILD ABUSE," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1105-14) recommending that S.B. No. 2399, SD 2, HD 1 be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla 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 ECONOMIC DEVELOPMENT," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1106-14) recommending that S.B. No. 2840, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2840, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO

THE GENERAL ASSISTANCE PROGRAM," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1107-14) recommending that S.B. No. 2775, SD 1, as amended in HD 1, pass Second Reading and be referred jointly to the Committee on Energy & Environmental Protection and the Committee on Water & Land.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2775, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Second Reading and was referred jointly to the Committee on Energy & Environmental Protection and the Committee on Water & Land, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1108-14) recommending that S.B. No. 2483, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2483, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM ASSOCIATIONS," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1109-14) recommending that S.B. No. 2386, SD 1 pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2386, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SALES ADVERTISEMENTS FOR STOLEN PROPERTY," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1110-14) recommending that S.B. No. 2345, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2345, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INVESTOR EDUCATION PROGRAM," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1111-14) recommending that S.B. No. 2293, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2293, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, if I could request a ruling on a potential conflict. My family has an egg farm. Thank you," and the Chair ruled, "no conflict."

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

"Mr. Speaker, just a request for a ruling on a potential conflict. We don't do livestock now, but my farm is looking into it. Thank you, 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. 2293, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1112-14) recommending that S.B. No. 2913, SD 1 pass Second Reading and be referred jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2913, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Second Reading and was referred jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1113-14) recommending that S.B. No. 2347, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2347, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, I rise with reservations and a brief comment. Mr. Speaker, clearly we have been invaded by invasive species. Some things are out of control. Our economy is hurting. Agricultural nurseries and others are very concerned that right now we're getting very serious about it, but when we get serious about it, we have to be serious about how.

"Mr. Speaker, we have a clear and present danger of the invasive species in our state. Coqui frogs, red ants, anything. And we failed, actually, in our inspection, our quarantines.

"But now we are coming the exact opposite with a pendulum that's going to strike hard, and even though it's a blank, there's a \$10,000 fee that is going to be a minimum, at which some of our small nursery holders are very concerned about. I was in touch with some of the Hawaii Kai nurseries this morning, and they're going to have a big meeting in Waimanalo next week. They want to make sure everything is even-handed, Mr. Speaker, and that's why I'm with reservations on this.

"We can't put it on those who don't have the control. What the nursery owner told me was that under this bill there's about 100 pests, 100 pests that they will be responsible for. Some of which they've never even heard of. So, Mr. Speaker, we need to nuance, measure, and be fair and balanced on this. It's very important. We can't succumb to the invasive species, the way we have in the past, but we must do it, and do it well. And I'm sure that's why we're deliberating this bill as we are now. Thank you, Mr. Speaker."

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

"Mr. Speaker, with strong reservations. I'd like to include the words of the Representative from Hawaii Kai as part of what I would like to say. This bill is well intentioned, but it doesn't provide for the department to first establish and work with the industry to come up with processes and procedures to address this issue. As the speaker from Hawaii Kai mentioned, it imposes penalties on the people that we want to encourage to continue agriculture and development of agriculture in the State of Hawaii. And with that, I stand with strong reservations."

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

"Thank you, Mr. Speaker. In support, and if I could also insert written comments. Just a couple words. I want to first emphasize the importance of reading the bill. So, currently this bill has no penalty amount specified. Second, I just want to emphasize that the coqui frog and the little fire ant are good examples of one of the biggest problems we face in the state. And that is that there's really no incentive for businesses to take responsibility and prevent the spread of invasive species.

"At this moment, it's the state that's responsible. And as a result, we have had bad actors who have not taken responsibility, and they have been shipping the little fire ant and the coqui frog throughout the islands. That is why we have this bill. They need to take some responsibility, and they need to take actions that will prevent the spread of these devastating invasive species.

"This bill is taking a step in the right direction. It certainly still has some work to do. Adjusting the defective date would be a first, in my opinion. But we cannot have the state continue to make herculean efforts to address invasive species, if our businesses are unwilling to cooperate and implement. Under current law, even if they intentionally are spreading these species, there is no consequence for them financially. We need to change that. Thank you."

Representative Wooley's written remarks are as follows:

"This bill is critical in our fight against invasive species, and this discussion should have happened 30 years ago. If it had happened, the biological crisis we are facing would not exist today. This bill reflects a potential policy shift, beginning an invaluable policy discussion. The very nursery organizations in opposition are the ones that need this bill to stay in business. Simply said, if there is not enough incentive to prevent intrastate transportation, we will have more invasive species and their infestations will continue to get worse.

"You know, the DOA has had its own challenges doing what's right for the public interest and recognizing the critical need for this bill, but I appreciate that they finally came in with proposed changes they support and that will work for everyone. We adopted all of their recommendations and look forward to continuing to work with them and HISC to fight this problem.

"Although there may still be a few naysayers, I ask you, what is the alternative? Adequate funds for inspections and prevention will only work if businesses have the incentive not to continue to sell products infested with invasive species, like the coqui frog, little fire ant, or worse. From what we know now, there are enough businesses doing exactly that (because it's cheaper) and, as a result, the entire state is currently facing the most challenging biological crisis ever. We can and we must do better. This bill is the only vehicle addressing these critical issues.

"Colleagues, let me be clear in response to some of your comments: this bill changed significantly from its original version. It appears that many of the reservations or opposition expressed today are based on totally misinformed and incorrect information – wake up, because you people are looking at the wrong bill. Please read the bill and stop making totally false statements. The previous speakers, identifying a \$10,000 penalty in the bill, are wrong and failed to do their homework. You can see they did not even read the bill. So let me go through some of the changes that make this bill so very different from the one that the Representative from Hawaii Kai talked about.

"The criminal violation section of the bill was completely removed. Requirements for nurseries to treat and to pay for extermination costs if the pest came from them was deleted. We also blanked out the amount of the civil penalty so we could continue to discuss what kind of hammer can be used to provide the right incentives for businesses and make sure they will do what's right for the public interest. We also completely removed the requirement that all nursery stock be treated prior to inter-island shipment. We also deleted the requirement that nurseries or landscapers who fail to treat before transporting plants infested with little fire ants or coqui frogs pay for extermination costs if those pests infest other properties.

"The Committee on Agriculture also deleted requirements that DOA designate quarantine areas and instead gave DOA the authority to designate a quarantine area if it has been determined to be infested with the designated pest. We also added language to authorize DOA to enter into compliance agreements with any entity to allow for commercial activities in quarantine area. Finally, we deleted the county authorization to adopt rules and have authority to impose penalties until DOA implements these provisions.

"One thing we added to this bill to improve it was to give the DOA the authority to inspect facilities, which currently they can only do with permission or a court order.

"Government cannot control this issue alone, private industry must be part of the solution. Nurseries' participation in this policy is critical as they are in the best position of being able to control the spread of these invasive species that threaten our economy, health, ability to grow food, environment and quality of life.

"Studies have shown that little fire ants, coqui frogs and many other invasive species were introduced and spread through nurseries. Invasive species have cost our state many millions of dollars and the cost of losing our agriculture, native species and forests cannot be quantified.

"I recognize this bill may not be perfect for everyone at this time, I get that. But there is no more important bill this session. To address any concerns, the bill can easily be amended by, for example, having a two year implementation period to allow for the kinks to be worked out.

"I ask you all not to turn your backs on the best policy option on the table this session – move this bill forward and let's pass some laws that serve the public interest. Let's not fail to do the right thing simply because a few bad actors don't want change. And let's please, please, stop listening to the uninformed that don't even spend the time to read the bills before opposing them."

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

"Mr. Speaker, rising with strong reservations. First, may I have the words adopted of the Representative from Hawaii Kai and the Representative of Hilo. Mr. Speaker, this bill is going to have a directly negative impact on an industry, the agriculture industry, that we're really trying to promote. This is going to act as a strong deterrent because it's hanging a sword over those who may engage in this activity, which potentially does carry the risk, whether intentional or not, of spreading, of introducing invasive species.

"But I think, Mr. Speaker, as we approach the issue, we have to make sure that we are not going to bring the hammer down on those who we're trying to promote to get into agriculture, and make sure that the penalties kind of outweigh the benefits of what we could see in the State of Hawaii, Mr. Speaker, as we struggle to really get the agriculture industry going. So, for those reasons, Mr. Speaker, I have very strong reservations."

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

"Please record my very strong reservations. Thank you."

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

"Same request as the Representative from Hilo sitting next to me. Thank you, Mr. Speaker."

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

Representative Awana rose in support of the measure with reservations and asked that the remarks of Representatives Onishi, Ward and Fale be

entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

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. 2347, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Lee and Evans, for the Committee on Energy & Environmental Protection and the Committee on Water & Land, presented a report (Stand. Com. Rep. No. 1114-14) recommending that S.B. No. 2663, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 2663, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

Representative Fale rose and asked that the Clerk record an aye vote with reservations for him, 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."

Representative Fukumoto 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. 2663, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NATURAL RESOURCES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1115-14) recommending that S.B. No. 2550, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2550, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1116-14) recommending that S.B. No. 3093, SD 1 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3093, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII AT HILO," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1117-14) recommending that S.B. No. 2131, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2131, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1118-14) recommending that S.B. No. 2400, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2400, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1119-14) recommending that S.B. No. 2455, SD 1 be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2455, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1120-14) recommending that S.B. No. 3053, SD 2, HD 1 be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 3053, SD 2, HD 1 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, strong support for the unmanned aerial systems, and we could have found the Malaysia Airline if we would have had these guys up in the sky."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3053, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNMANNED AERIAL SYSTEMS TEST SITES," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Yamane and McKelvey, for the Committee on Transportation and the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1121-14) recommending that S.B. No. 2902, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committees was adopted and S.B. No. 2902, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSPECTIONS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1122-14) recommending that S.B. No. 2525, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2525, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONS WITH DISABILITIES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1123-14) recommending that S.B. No. 2223, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B.

No. 2223, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHANGE OF NAME," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1124-14) recommending that S.B. No. 2841, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2841, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE INTERIM ASSISTANCE REIMBURSEMENT SPECIAL FUND," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1125-14) recommending that S.B. No. 2249, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2249, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC AGENCY MEETINGS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1126-14) recommending that S.B. No. 3092, SD 2 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3092, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1127-14) recommending that S.B. No. 3036, SD 2, HD 1 be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3036, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BEACH MANAGEMENT FOR THE NORTH SHORE OF OAHU," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1128-14) recommending that S.B. No. 2905, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2905, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1129-14) recommending that S.B. No. 2866, SD 1 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2866, SD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH

SYSTEMS CORPORATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1130-14) recommending that S.B. No. 2346, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2346, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, please note my slight reservations on this measure as it's moved forward. 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. 2346, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1131-14) recommending that S.B. No. 2869, SD 2 pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2869, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PRIVACY OF HEALTH CARE INFORMATION," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1132-14) recommending that S.B. No. 3012, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 3012, SD 1, HD 1 pass Second Reading and be referred to the Committee on Consumer Protection & Commerce, seconded by Representative Cabanilla.

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

Representative Fale 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. 3012, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL RECORDS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representative McDermott voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1133-14) recommending that S.B. No. 2478, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2478, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1134-14) recommending that S.B. No. 2577, SD 2,

as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2577, SD 2, HD 1 pass Second Reading and be referred to the Committee on Consumer Protection & Commerce, seconded by Representative Cabanilla.

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. 2577, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NATUROPATHIC PHYSICIANS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1135-14) recommending that S.B. No. 2492, SD 1 pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2492, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1136-14) recommending that S.B. No. 2452, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2452, HD 1, entitled: "A BILL FOR AN ACT RELATING TO JURY DUTY," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1137-14) recommending that S.B. No. 2496, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2496, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

Representative Fale rose and asked that the Clerk record an aye vote with reservations for him, 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."

Representative Hanohano 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. 2496, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO PRODUCTS," passed Second Reading and was referred to the Committee on Finance, with Representative McDermott voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representatives Belatti and Nakashima, for the Committee on Health and the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1138-14) recommending that S.B. No. 1233, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committees was adopted and S.B. No. 1233, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LEAVES OF ABSENCE," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Choy, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 1139-14) recommending that S.B. No. 2906, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2906, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Brower and Tsuji, for the Committee on Tourism and the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1140-14) recommending that S.B. No. 3081, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committees was adopted and S.B. No. 3081, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Brower, for the Committee on Tourism, presented a report (Stand. Com. Rep. No. 1141-14) recommending that S.B. No. 2042 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2042, entitled: "A BILL FOR AN ACT RELATING TO CULTURAL EXCHANGES BETWEEN HAWAII AND PUERTO RICO," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Tsuji, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1142-14) recommending that S.B. No. 718, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 718, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Tsuji, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1143-14) recommending that S.B. No. 3082, SD 2 pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 3082, SD 2 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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. 3082, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Tsuji, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1144-14) recommending that S.B. No. 2197, SD 2, HD 1 be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2197, SD 2, HD 1 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

Representative Fale 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."

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. 2197, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Tsuji, for the Committee on Economic Development & Business, presented a report (Stand. Com. Rep. No. 1145-14) recommending that S.B. No. 2198, SD 1, HD 1 be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2198, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE FUELS," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1146-14) recommending that S.B. No. 2365, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2365, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE CLAIMS," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1147-14) recommending that S.B. No. 2948, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2948, 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 Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1148-14) recommending that S.B. No. 2469, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2469, SD 2, HD 2 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. I would like to get a ruling of a potential conflict on SCR 1148-14, Relating to Telehealth. 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. 2469, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TELEHEALTH," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Belatti and McKelvey, for the Committee on Health and the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1149-14) recommending that S.B. No. 2470, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 2470, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

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

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

"Mr. Speaker, I'm going to up the ante. No vote on this and the following measure, and a brief comment please. Mr. Speaker, we know there is a famous saying about, if it moves, tax it, if it keeps moving, regulate it, if it stops moving, subsidize it. And here we are, something that is already, just what, six, eight months old, and it's already dead in its tracks. It's unsustainable.

"This is the connector that had \$205 million, of which it spent half of it, \$48 million dollars on a website that I understand doesn't hardly even work yet. It was supposed to get 50,000 people signed up, and it's got 5,000 people signed up. And what we're doing now is subsidizing it by saying you don't have to be a private or 501(c)3, we want to take you in and be a part of the government. And by the way we're going to assess everybody's policy 3 percent, so the price of all of our health premiums go up.

"Mr. Speaker, what are we doing here? How did we get here, and how do we get out of this? I don't think we get out of it by saying, yes, let's subsidize it and bring it in, and then make the health cost of our people go up even higher. Mr. Speaker, we've got to do a better way. This is something for those who don't have coverage to get coverage. HMSA and Kaiser did a great job of recruiting and saying when open regulations, and open sign-ups were there. They did a great job.

"The whole connector's purpose was to promote and educate about Obamacare. We've got good private sector people who did that. And instead of choosing to do a national effort, we chose our own website, and now we're stuck and we're in a hole. I know one of my friends, the good Senator from East Honolulu, is calling for an investigation of this process in the Hawaii State Senate. And if necessary, he's probably going to go to court over this.

"You shouldn't have \$205 million thrown back on the State of Hawaii, when we can't even make whole the Hurricane Relief Fund, and we have the unfunded liabilities, *et cetera, et cetera, et cetera*, Mr. Speaker.

"For those reasons, we need to rethink this whole connector issue and the national healthcare program that we're entering into. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, we know that this bill and the next bill related to the Hawaii Health Connector are works in progress. I think as we move closer and closer to conference, the picture is becoming clearer, the pathway is becoming clearer.

"We are learning on a day-by-day, week-by-week basis what monies we are going to be able to use and continue to draw down for the Hawaii Health Connector. And so, what we're looking at in this bill is coming to a point where we're going to know what kind of appropriation will be needed.

"I would remind all of us that the reason why the state chose, as a matter of policy, to go with a state-based exchange, is because we needed to ensure the compliance and the meshing of both the Affordable Care Act with the Prepaid Health Care Act.

"While some of the criticisms leveled at the Hawaii Health Connector are warranted, Mr. Speaker, I would say that your members on the Committee on Health and the Committee on Consumer Protection & Commerce have been doing their due diligence throughout this session, and we are continuing to do that.

"So, as this bill moves forward, we need to keep those options open, so that we can in fact design a process that at the end of the day does not undermine the Prepaid Health Care Act, which is the basis of healthcare for the majority of the citizens in this state. Thank you, Mr. Speaker."

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

"Mr. Speaker, with very strong reservations. Mr. Speaker, we were the first ones out of the shoot saying that we were going to move forward with this, with the website, we're going to do the Hawaii Health Connector. Our Governor was the first one to say, 'Okay, we're going to make this happen.' And I think, Mr. Speaker, that not only has it not delivered what it said it was going to deliver, and not only has it not lowered the cost it said it was going to lower. But, Mr. Speaker, \$205 million later and there's issues with the way that money was spent, we still can't even do what we, and as the previous speaker said, 'day-by-day, week-by-week.'

"Mr. Speaker, we don't mess with the people of Hawaii that way. Mr. Speaker, if we promise we're going to deliver 50,000 people who were supposed to sign up, and we get 10 percent or less than what we intended, what we said we were going to do. Mr. Speaker, we need to go back and revisit the whole thing, and make sure that we're actually walking down the path that we should be walking down. Because, Mr. Speaker, as it looks right now, the trajectory we're on is not a good one, in regards to the trust and faith of the people of Hawaii, and us being able to deliver what we said we were going to deliver. For those reasons, I think we need to severely alter the course that we're on."

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

"Thank you, Mr. Speaker. In support. First, I would like the words of the Chair of Health adopted as if they were my own. To make sure we're all on the same page, as obviously previous speakers seem to keep bringing up previous versions of the bill to which this does not reflect. Mr. Speaker, this does not put the connector in as a state agency. This does not mandate a universal 3percent fee, which suddenly has been ascertained to this bill.

"Mr. Speaker, what this bill is, is a work in progress. And actually, the speaker from Laie had a lot of good points. It's not to bless the acts of the

past, Mr. Speaker, it's to rectify them. So that our citizens do, under a federal mandate, and I will repeat this many times, under a federal mandate, that those citizens who could take advantage of this, those with preexisting conditions and others, those who can get the tax credits, can do so without this turning into a huge largess creature with a market that will not sustain it, which is the subject for the next bill.

"Mr. Speaker, if you look at this bill, we continue to put more and more oversight and controls into the connector to do exactly what the speaker of Laie said. Mr. Speaker, we have an oversight committee. We put them under 42F, which has a whole stipulation of things that private nonprofit entities have to abide by to receive any kind of state funds.

"The speaker from Wahiawa, who on our committee had concerns with the fees, supported us on this iteration because, and I do not want to put any words, but because we're trying a more responsible mechanism, is through an appropriation.

"And Mr. Speaker, your committee noted that we still do not have a sustainability plan. In the committee report we note this, which is why we make an appropriation of \$1, Mr. Speaker, \$1. That is to say to the connector, if we don't have a sustainability plan now, if we don't have a fixed cost now, then the appropriation will be not one that will sustain the entity that has to act responsible.

"We know that the market may not support the connector, Mr. Speaker. We know that the private portals are in the best position, as the speaker from Hawaii Kai said. But under the federal mandate, the process to do that is the innovation waiver, which is in 2017.

"So, Mr. Speaker, we are trying to make sure that what was federally mandated upon us, what others have created, will be in the best interest of Hawaii. And again, as the speaker of Health pointed out, with which the Attorney General himself said, if we say pull the plug, let the feds come in, run their own exchange, we risk losing our prepaid and our ERISA exemption, Mr. Speaker.

"It's a work in progress and I appreciate the concerns and criticisms that have come forward, but I just hope, Mr. Speaker, we can focus on, this is not an up or down, it's not a vote on the connector. What it is, is a way to try to make it accountable, transparent, Mr. Speaker. And to evolve it into the area, which has already been discussed, where private issuers could have a lot of the shop and individual programs. And we can get our Medicaid population through the KOLEA program, Mr. Speaker. Thank you very much. Additional comments into the Journal."

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, these advisory groups serve to provide input to the Connector board, all for the stakeholders involved and to further facilitate meaningful discussion. Moreover, this measure clarifies that the Hawaii Health Connector is the official state health care exchange of Hawaii. Most importantly, Mr. Speaker this measure requires the Health Connector to submit a sustainability plan to the Oversight Council to determine the amount of funding needed for the fiscal year.

"Mr. Speaker, I find it ironic that the minority would be decrying a bill that addresses the very grievances they have raised here today. In fact, this bill applies methodologies of fiscal review, namely zero-based budgeting, which both they and the national groups like ALEC have endorsed. This bill not only creates, to the best of the ability of the state, fiscal oversight for a federally recognized 501(c)(3) but also subjects any funding it receives to the strict process outlined in 42F which is a stringent set of rules that non-profits must adhere to in order to receive state funding. The measure also removes any fee or tax upon all health plans as was in previous versions of discussion. So all this talk of becoming a state agency or having a fee on all is continuing a discussion which has already stopped.

"Now, one would be more than happy to just chuck the whole thing and go on to other items before your committee but I cannot in good conscience do that and endanger our Pre-Paid Act and our ERISA exemption. How would that be, Mr. Speaker? Well, it is because if we chuck in the towel on the exchange and let it die federally it is still the law



of the land and therefore the feds will come in and run their own exchange in Hawaii.

"There have been many pundits from the Mainland who have said that we could let the feds run the exchange and Hawaii would not lose Pre-Paid or our ERISA exemption, while scores of local attorneys and experts have argued otherwise. Even if it be stated without a doubt that if that happens we won't lose our ERISA exemption and Prepaid won't be sunsetted, it would still widen our uninsured gap by creating a pervasive culture of businesses jumping to the fed connector to buy plans that are not prepaid compliant. These plans then could be sold to businesses on the exchange, thereby increasing our effective under-insured gap by creating a mechanism for the valid sale of benefit poor rate rich plans that are not prepaid compliant.

"Furthermore, your committee has shown the most fiscal austerity by noting that since a sustainability plan outlined along the requirements have not been represented as of yet it's clearly unknown what funding if any is needed, which is why your committee gave the total of \$1. We force the Connector before it evolves through the innovation waiver process to aggressively look elsewhere for additional revenue streams including the use of online ads on the Health Connector website.

"Finally, this bill creates the ultimate accountability insofar as it sunsets the whole kit and caboodle when the innovation waivers should hopefully be granted, unless we can somehow get our congressional delegation to help us implement the process now. To those who vote with reservations I say then offer me a better mousetrap to provide oversight over a federally mandated non-profit entity for the next two years. Because absent that, Mr. Speaker, I think this bill finally puts in place what should have been there from the very beginning, absent those very same waivers to begin with."

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

"Thank you, Mr. Speaker. With reservations and just a brief comment. I appreciate the attempts that have been made to improve this, and I understand that we have a problem that we need to fix, but I have very serious concerns about the direction that we're going. So, thank you."

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

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

Representative Fale rose to respond, stating:

"Mr. Speaker, second time. Still with strong reservations. The problem with this measure is that it establishes a new fee. So what we're saying is, is that whether it's the federal government, whether it was the state. The federal government gave us the money, whether the federal government mandates screwed it up, or whether we screwed it up with what we failed to deliver here in the State of Hawaii.

"What we're essentially saying with this new fee, is that, you have to pay for the mistakes that we made. And that's where I think it's severely problematic to say, we messed it up, now you pay for it. And so that new fee, Mr. Speaker, I think is something that is problematic and the message needs to be different."

Representative McKelvey rose to respond, stating:

"Mr. Speaker, second time. I will take this offline, but I would love to have somebody point out where this new fee exists in this language, because we did create a revolving fund, but there is no fee. We removed it in the previous committees. Thank you very much."

Representative Ward rose to respond, stating:

"Mr. Speaker, just a brief footnote, to clarify. The sword that is hanging over this that says we've got to do it, is because our ERISA exemption is in jeopardy. Mr. Speaker, I ask you and I ask this Body, how many times

have we assured the people of Hawaii, Hawaii's Prepaid Health Care Act is going to pursue and continue on as it is? We will have this since the good Senator Inouye promised this to all of the State of Hawaii, and every member of the delegation has said this.

"So to say that if we don't do this, we're going to have our ERISA exemption pulled, I think this is a bit of a switch and bait, a bit of inside baseball that we've been playing with the people of Hawaii. If that is in fact true, if in effect we don't have an exemption of our Health Care Act, let's be straight up with the people of Hawaii. Let's not use that as another way to increase their fees and another way to excuse otherwise, building a bureaucracy based on a failed system that was supposed to be independent and a 501(c)3. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2470, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Belatti and McKelvey, for the Committee on Health and the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1150-14) recommending that S.B. No. 2827, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 2827, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

Representative McDermott rose and asked that the Clerk record a no vote for him, 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 Hanohano 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 Fukumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

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

"Strong reservations, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2827, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE TRANSFORMATION," passed Second Reading and was referred to the Committee on Finance, with Representative McDermott voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1151-14) recommending that S.B. No. 233, HD 1 be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 233, HD 1, entitled: "A BILL FOR AN ACT RELATING TO QUEEN LILIUOKALANI," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1152-14) recommending that S.B. No. 2747, HD 1 be referred to the Committee on Transportation.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2747, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBDIVISION DOCUMENTS," was referred to the Committee on Transportation, with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1153-14) recommending that S.B. No. 2874 be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2874, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF LAND AND NATURAL RESOURCES," was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1154-14) recommending that S.B. No. 2875 be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2875, entitled: "A BILL FOR AN ACT RELATING TO THE ENDANGERED SPECIES RECOVERY COMMITTEE," was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1155-14) recommending that S.B. No. 2953, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2953, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE RESOURCES ON HAWAIIAN HOME LANDS," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1156-14) recommending that S.B. No. 3063, SD 2, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3063, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF LANDS IN WAIPIO VALLEY," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Hanohano, for the Committee on Ocean, Marine Resources, & Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 1157-14) recommending that S.B. No. 3122, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 3122, SD 2, HD 2 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, please register a no vote for me. Mr. Speaker, this measure paves the way for construction of three residential high rises in our last remaining ocean side open space in Kakaako Makai. I believe there is still opportunity to explore alternatives that both support OHA and preserve our precious open space."

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

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

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

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

"Mr. Speaker, potential conflict of interest. I'm a beneficiary of the current open access to the shoreline area. Thank you, Mr. Speaker," and the Chair ruled, "no conflict."

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

Representative Carroll 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 Carroll's written remarks are as follows:

"Mr. Speaker, please note my reservations regarding SB 3122, allowing the Hawaii Community Development Authority (HCDA) to approve residential development on lands owned by the Office of Hawaiian Affairs (OHA), specifically the Kaka'ako Makai area. This has been opposed by a large portion of the community and residents in that area for some time, which is why a ban on residential development was enacted in 2006. Here we are in 2014 and the community is still just as opposed, for the same reasons as before. In fact, little has been done to ease the fears of the public regarding residential development in this area. We should address the public's concerns on this measure before we make any decision that would drastically affect those living in the Kaka'ako area.

"Furthermore, OHA is supposed to utilize ceded lands for the betterment of the native Hawaiian community. I also should add that, the ceded land controlled by OHA is being held in trust for the native Hawaiian people. For OHA to go against this dynamic would be contrary to its mission. My fear is that this measure will not only negatively impact the native Hawaiian community in the Kaka'ako area, but the entire native Hawaiian community as a whole, resulting in more financial losses for native Hawaiians due to further mismanagement of crown lands.

"There is a reason for the 2006 prohibition of residential development in Kaka'ako Makai. It is not just because of the intense community opposition, it also has a lot to do with the fact that it is one of the last open public spaces along the south shore. It is due to these reasons, Mr. Speaker, that I have reservations in regards to this measure.

"Mr. Speaker and distinguished Members of this Body, I urge everyone to please take careful consideration of this bill and to note my reservations on SB 3122. Thank you."

Representative Kobayashi rose and asked that the Clerk record a no vote 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 Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

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

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

Representative Har 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. 3122, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY," was referred to the Committee on Finance, with Representatives Belatti, Choy, Kobayashi, McDermott, McKelvey, Oshiro, Say, Takai and Takayama voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Takai, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1158-14) recommending that S.B. No. 2597, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2597, SD 1, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A WAR MEMORIAL," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Takai, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1159-14) recommending that S.B. No. 2617, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2617, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS OF ART," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Takai, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1160-14) recommending that S.B. No. 2598, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2598, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CULTURAL EXCHANGES BETWEEN HAWAII AND AFRICAN AMERICANS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Takai, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1161-14) recommending that S.B. No. 3125, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3125, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1162-14) recommending that S.B. No. 2194, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2194, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1163-14) recommending that S.B. No. 2235, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2235, SD 2, HD 2 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. With some slight reservations and may I say a few words. My reservation is actually with Section 1. I do appreciate a pilot program in regards to Section 1, but my reservation is requiring every 7th grader to have a physical before being able to attend public school. So, I'm open to hearing some more dialogue before we get to the finish line on this measure, Mr. Speaker. Thank you."

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

Representative Fale 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. 2235, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1164-14) recommending that S.B. No. 2264, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2264, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

Representative Oshiro 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."

Representative Har 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. 2264, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVING," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1165-14) recommending that S.B. No. 2853, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2853, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DEVELOPMENTAL DISABILITIES ADULT FOSTER HOMES," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1166-14) recommending that S.B. No. 2032, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2032, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VIOLENCE AGAINST HEALTH CARE PERSONNEL," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1167-14) recommending that S.B. No. 2574, SD 1, as amended in HD 1, pass Second Reading and be referred jointly to the Committee on Judiciary and the Committee on Consumer Protection & Commerce.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2574, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Second Reading and was referred jointly to the Committee on Judiciary and the Committee on Consumer Protection & Commerce, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1168-14) recommending that S.B. No. 2246, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2246, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, I would request to be excused from voting on this measure. The Attorney General, one of the amendments that they suggested to the committee, well into the process of hearing the bill, one of the claimants is a friend of mine who appeared in one of my campaign ads, and I would like to be excused from this measure."

At 12:58 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:03 o'clock p.m.

Representative Rhoads continued, stating:

"Mr. Speaker, I would like to be excused from this vote because of my direct personal interest in the outcome. Thank you very much."

The Chair then stated:

"Excuse granted."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2246, SD 2, 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 Representatives Rhoads, Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1169-14) recommending that S.B. No. 225, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 225, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

Representative Fale 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 Fale's written remarks are as follows:

"Mr. Speaker, I rise with reservations regarding SB 225, SD 1, HD 1, a measure that relates to elections by adding a definition of 'residency' to rules for determining residency in the State of Hawaii.

"Mr. Speaker, this measure seeks to eliminate ambiguity regarding the question of residency for election purposes. My concern, Mr. Speaker, is that there may be unintended consequences of excluding certain classes of people from being counted as residents. Two examples come to mind. First, will the homeless living in our state be counted? Second, will military personnel stationed in our state be counted as residents?

"Mr. Speaker, these are important issues that remain unclear. Because the United States Constitution requires that a national census be conducted every 10 years for the purpose of sending representatives to the United States Congress, this is a serious matter.

"For these reasons, Mr. Speaker, I rise with reservations regarding SB 225, SD 1, HD 1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 225, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1170-14) recommending that S.B. No. 632, SD 2, as amended in HD 1, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 632, SD 2, HD 1 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

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

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

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

"Thank you, Mr. Speaker. With reservations and just brief comments. I think it should be noted that the Judiciary as well as the Department of Land and Natural Resources made it clear that based on the number of cases in circuit court, this is an unwarranted and unnecessary measure.

"If we're talking about the number of cases in district court, now usually those are infractions and penalties. The Department of Land and Natural Resources noted that many of these infractions that end up being district

court matters fall within their purview. Oftentimes they are issues dealing with some type of penalty in association with a hunting license, fishing license, or what not.

"So there were two resolutions that the Department of Land and Natural Resources was advocating for, saying that they felt that they would be able to take care of these matters internally, thereby reducing the backlog, in the docket, in the district court. So both the Department of Land and Natural Resources and the Judiciary felt this bill was unnecessary, and really there was a better way to go about it through the resolutions that would, in fact, reduce the number of cases in the district court rather than going in this direction. So for those reasons, with reservations. Thank you."

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

"Mr. Speaker, permission to have the words of the prior speaker entered into the Journal as my own. And also, for those very reasons, I'll be voting no on this measure, Mr. Speaker. Thank you," and the Chair "so ordered." (By reference only.)

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

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

"Very strong reservations, Mr. Speaker. May I ask that the words from the Representative from Kapolei be inserted into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 632, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL COURTS," was referred to the Committee on Finance, with Representatives McDermott and Oshiro voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1171-14) recommending that S.B. No. 2082, SD 1, as amended in HD 1, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2082, SD 1, HD 1 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

Representative Fale 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. 2082, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND COURT," was referred to the Committee on Finance, with Representative McDermott voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Hashem, for the Committee on Housing, presented a report (Stand. Com. Rep. No. 1172-14) recommending that S.B. No. 2266, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2266, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, please note my reservations. My reservations around this revolves around the General Excise exemption for certain projects proposed in here. Thank you very much, 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. 2266, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1173-14) recommending that S.B. No. 2296, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2296, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DISPOSITION OF LANDS MANAGED BY THE STATE DEPARTMENT OF AGRICULTURE," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1174-14) recommending that S.B. No. 2658, SD 3, as amended in HD 1, pass Second Reading and be referred jointly to the Committee on Energy & Environmental Protection and the Committee on Water & Land.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2658, SD 3, HD 1 pass Second Reading and be referred jointly to the Committee on Energy & Environmental Protection and the Committee on Water & Land, seconded by Representative Cabanilla.

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

"Thank you. Mr. Speaker, I am rising with serious reservations on Senate Bill 2658. Mr. Speaker, this bill will allow solar energy facilities to occupy more than 10 percent of a parcel or 20 acres of land within an agricultural land with soil classified with a rating of B or C. I support solar energy facilities, I support the continued use of solar to reduce our dependence on fossil fuel, and I also support class B lands and protecting them for agricultural use.

"The bill says that if a special use permit has been granted, and if that area on the class B land occupied by the solar facility is also made available for compatible agricultural activities, then it's okay. My concern is that under the law and under the bill, there's no follow-up if you are granted a special use permit, and the solar company puts it out for Ag use at a reduced cost, which is good. But then there's no follow-up to see is that actually going on that land, or does solar ultimately become the primary tenant of the land.

"When I take a look at the island of Oahu, there are 11 TMK parcels, Mr. Speaker, of at least 100 acres. I believe that those that are more familiar with agriculture than I am know that if you have 100 acres, you're going to have a more viable agricultural operation that will really help reduce our dependence on imported food. At least 80 percent of these are rated B in the agricultural district. They're not within an urban growth boundary and they're not federally owned.

"So we have 11 parcels. Some of those, the solar companies will be seeking to use for their facilities and then going ahead and making some of the class B land available for agricultural use. Fine, that's fine. But what if they don't, and what does the bill say? Does the bill say when a special use permit is issued, that the Land Use Commission has the authority or the responsibility to check to make sure that those conditions are being met? And the answer is 'no'.

"And that's a big flaw in the bill, Mr. Speaker. That's something that we have time to amend in subsequent committees. To put the teeth into it, so we achieve two objectives on class B land, Ag and renewable energy. And we have the teeth as a state to make sure that both of those are moving ahead as they should.

"So at this point, because of that omission in the bill, I'm standing with serious reservations, and asking Members if they would like to see a copy of this map, to come see me. But to look at them to say, we need to put teeth into the bill to make sure that conditions issued with that special use permit, the SUP, are abided by. 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. 2658, SD 3, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SOLAR ENERGY," passed Second Reading and was referred jointly to the Committee on Energy & Environmental Protection and the Committee on Water & Land, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Carroll and Hashem, for the Committee on Human Services and the Committee on Housing, presented a report (Stand. Com. Rep. No. 1175-14) recommending that S.B. No. 2540, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 2540, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Please note my reservations and may I say a few words? Thank you, Mr. Speaker. I note that the Department of Human Services, which this is going to be implemented through, has not submitted any testimony in any of these previous hearings. And I find that a little concerning, when that department may have to administer such a program as this.

"I think we should look at the programs that are already being provided in the outside realm before we move to create this program through a department at this point in time, Mr. Speaker. So that would be my reservations moving forward, and I look forward to hearing the discussion in the Finance Committee. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2540, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1176-14) recommending that S.B. No. 2009, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2009, 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 Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1177-14) recommending that S.B. No. 2205, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2205, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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. 2205, 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 Representatives Tokioka, Ward and Yamane being excused.

Representative Carroll, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 1178-14) recommending that S.B. No. 2202, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2202, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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. 2202, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX CREDITS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Lee, for the Committee on Energy & Environmental Protection, presented a report (Stand. Com. Rep. No. 1179-14) recommending that S.B. No. 2196, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2196, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

Representative McDermott rose and asked that the Clerk record a no vote 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 Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

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

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

Representative Fale rose and asked that the Clerk record a no vote for him, 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."

Representative Johanson 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 a no vote for her, and the Chair "so ordered."

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

"Thank you. Very briefly, Mr. Speaker, in support. I'll just note that this bill is important for two big reasons. The first is that it encompasses the fund, which supports our environmental cleanup and response. So, when we had a molasses spill, the response from the state was funded by this particular fund in question, whose expiration we are extending here to ensure that we're going to be able to do that into the future.

"Right now, there's an ongoing investigation with the state and cleanup with the Red Hill fuel spill, which is leaking fuel oil into our water table, which the Board of Water Supply thinks could potentially be a problem, if it ends up being put forward into the uptake for the Board of Water Supply

wells. It's critical that we have the ability to respond in kind, to do the proper investigation to ensure that we as a state can move forward in the appropriate way to respond in a timely manner to these cases.

"Secondly and the second point why this is so important, and I'd argue even more important, is because since 2009 the cost of fuel oil here in the state has risen 86 percent. And what that means for the average person is that the cost of electricity has in turn risen 81 percent. Now that's money that we don't control because we are still entirely dependent on the global oil world market, and that's not going to change anytime soon.

"But with our state standards, our renewable portfolio standards, taking this away from that model and toward a model of relying on locally produced renewable energy, we are cutting down our costs for our local residents. In fact, the PUC in its five year review, it's found that \$66.8 million has been saved for ratepayers here in the state. That's \$66.8 million saved because we've made these investments in renewable energy. We have a state lead energy agency, which is pushing this along, which is saving everybody money. Whether you're on solar, whether you're not. As long as you're a customer of a utility here in the state, that's money that's back in your pocket.

"We have a trajectory to continue forward until 2030. And that means infinitely more and more money that we're going to be saving year after year as the price of oil continues to climb. And as we continue our renewable energy goals, saving more for families each and every year.

"But that's only going to happen if we have the infrastructure and ability to do that, to lead the way as a state, and to make sure we follow through. And the funding for all of that, the funding to save our residents money, to save our families money in the long term and to get us off of our dependency on imported oil, is contained within this bill. For those reasons, in support."

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

"Mr. Speaker, if I may just cast a very strong 'yes' vote and ask that the remarks of the Chair of Energy & Environmental Protection be placed into the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

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

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

"Mr. Speaker, slight reservations please."

Representative Fale rose to respond, stating:

"Mr. Speaker, still in opposition. Mr. Speaker, as we march forward with our renewable energy portfolio standards and all the renewable energy related efforts, Mr. Speaker, we have failed to give accountability for the impact that these renewable energy efforts are going to have on communities where these renewable efforts are going to go into.

"Mr. Speaker, when I asked the PUC and those who testified in regards to the renewable energy effort, whether any of the communities that are going to be directly impacted by the renewable energy sources, whether or not they have been consulted in this process, the answer was no, Mr. Speaker.

"Mr. Speaker, we have countries like the United Kingdom which have banned any further use of windmills within their communities. We have a number of communities, Mr. Speaker, here in the State of Hawaii, that are in opposition to any more of these windmills going in, when it is clearly a part of the renewable portfolio standards that more windmills will go into the State of Hawaii. We have the Governor who made an announcement for the purchase of 20,000 acres of land to put more windmills in Central and North Oahu, which is severely opposed by the communities out there, Mr. Speaker. And none of those communities have been requested to

provide input as far as how those renewables are going to impact them directly.

"Also, Mr. Speaker, as a matter of transparency and accountability in regards to the use of those funds, I asked the departments related to this matter if they could give accountability, especially the Department of Agriculture, in regards to food security and how the money has been used and what strides have been made directly related to the expenditures from this fund, Mr. Speaker, and they could give zero accountability. Zero.

"And so, Mr. Speaker, as a matter of transparency, as a matter of accountability so that I can relay to my community how we're spending their funds, what measures of success we're seeing so that I can advocate for measures like this, Mr. Speaker. But because that is clearly not there at this point, it puts me in a position where I cannot support this bill, Mr. Speaker. And until those factors of accountability and transparency are given to the people in the State of Hawaii, Mr. Speaker, I must continue to be opposed to this measure."

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

Representative Har 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. 2196, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Second Reading and was referred to the Committee on Finance, with Representatives Fale, Fukumoto, Hanohano and McDermott voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representatives Lee and McKelvey, for the Committee on Energy & Environmental Protection and the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1180-14) recommending that S.B. No. 2934, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 2934, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, reservations, brief comment. Mr. Speaker, this is a good bill with a good intention, but it's not a priority and it may take our eye off the game. This is talking about community-based renewable energy projects. Mr. Speaker, we can't even keep up with what out there is a demand to get solar on every roof, which is the mantra of my office.

"There are, as of last of week, a reported 1,000 rogue PV systems out there. Meaning that people have lost patience with their government, with their utility, and are just winging it and hooking themselves up.

"Mr. Speaker, this thing that makes the PUC and the electric companies that take their eye off the game, take their eye off the ball, I think, is premature. I think it's something that we have to consider in the long run, but it's a rather esoteric, rather more of a cerebral thing. If you don't live in a place that's got a roof, you can get it indirectly through another one or a field or another condo.

"I think it's great, but right now we can't even keep up with what we've got on our plate. So, Mr. Speaker, those are my reservations. And I hope the PUC and HECO doesn't get involved in stuff like this and forget those 1,000 rogue guys out there, who are creating generations and maybe blackouts in other places, of which right now, HECO said there's no penalties, there's no investigation going on. But it's getting momentum to where we need to focus on getting ourselves really into the PV and seriously for those 1,000 that are not hooked up. Thank you, Mr. Speaker."

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

"Mr. Speaker, I need to disclose a potential conflict of interest. I own some stocks in Hawaiian Electric Company," and the Chair ruled, "no conflict."

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

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

"Thank you, Mr. Speaker. Just with reservations, Mr. Speaker. And they actually have to do with the language in the bill itself. I hope we can address them, because I believe it's very wide open ended at this point, and I have a lot of concerns. Thanks."

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

"I also have stocks in Hawaiian Electric," and the Chair ruled, "no conflict."

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

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

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

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

Representative Say's written remarks are as follows:

"Mr. Speaker, I rise to speak against S.B. No. 2934, SD 2, HD 1.

"The proposed House Draft 1 (1) mandates the Commission to establish a community-based renewable energy 'TARIFF,' (2) allows anyone to propose a project, (3) allows an electric utility to propose a project and (4) standardizes the 'Tariff.'

"I am interested in exploring a community-based renewable energy program model that offers the potential for providing LOWER cost renewable energy and economic benefits to ALL customers (not just those investing in a community-based renewable energy project) that can be safely and reliably integrated in the grid.

"Like all legislation, the devil of course will be in the details in regards to the definition of 'anyone' of subsection (b) and the interpretation of subsection (d) in defining what community based renewable energy tariffs and related interconnection processes shall, to the extent possible be 'standardized,' by the PUC. Let us hope that there will not be unintended consequences.

"Finally, the committee should consider HCR No. 71 in analyzing and considering the appropriateness of amending the regulatory structure applicable to electric utilities in light of ongoing developments in the deployment of RENEWABLE energy.

"It is for these reasons above that I do not support HD 1. Thank you."

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

"Mr. Speaker, thank you. I almost didn't get up. I was almost going to save it, but just very briefly, in support. I just want to note that this is a measure which is not new. It's a concept which is being implemented around the nation. The idea is that our current rates of solar adoption, which are extremely popular, our rates of alternative energy, in which people can save money themselves by putting panels on their own home or finding other means other than just relying on a utility, is obviously the most popular. Because it is the only way that residents can truly save money on their own bill and take control of their electric bill and put it in their own hands.

"Except that, if you don't have a roof over your head, if you live in a condo, if you live in a community where you don't have that option because you live in a homeowners association that to this point doesn't have the facilities capable of supporting that. If you're in a community that is maxed out, where there's enough solar on the grid that all of sudden you can't come on because the utility says, 'we are at our limit.' If you're the Department of Education, and you're trying to put solar, according to our statewide goals, on the roof of every school to save them money, to incorporate that into their curriculum, but you can't for those same reasons, this bill provides a measure of relief and a solution and a way to move forward.

"Because what it does is allows folks who don't have that opportunity to take advantage of it. To buy into a solar array or a renewable energy project elsewhere, somewhere else in the grid, perhaps in a different circuit in a different community where there is lots of space to connect renewable generation.

"And so it's a way to detach the physical sighting of your solar on your own roof, to buy in somewhere else. So for example, if a Costco down the way wants to put solar across their entire roof and make it available to all the condo owners in the area, those condo owners can buy into that project and get the same savings as anyone else. At the same time, Costco makes money too, leasing their space. It's a win-win for everybody.

"The language in this bill is tailored very specifically so that the Public Utilities Commission will come up with a plan and a framework, just as they do with every other tariff to set out the rules and the ways in which renewable projects will apply, in ways in which the utility will respond and be able to allow everyone to connect, and everybody at the end of the day to save money. Thank you very much."

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

"Thank you, Mr. Speaker. With strong reservations. I wasn't going to get up too, but I have a question, Mr. Speaker. Are these Second Reading bills? No, all of these bills are Second Reading bills? Thank you, Mr. Speaker."

The Chair then stated:

"They're all Second Reading bills. So we don't need too much discussion on this, that's what the Representative was trying to say."

Representative Say rose to respond, stating:

"Mr. Speaker, since I'm the only one voting no, may I say a few words? The concern of this particular measure is very simple. We're mandating the PUC to create another tariff on the ratepayers and consumers. Yes, for those who have the community energy development area, may qualify. But what about those areas that don't? How are you going to subsidize those that don't have it? And this is the issue that we've been discussing on this Floor of the House in regards to photovoltaic cells on roofs.

"For those of you who have it, fantastic, your savings are great. But for those who don't have it, you're still paying the rates of what it is today, like myself. So at that hearing, I did state for the record, we all support solar, wind, alternative energy. But at the end of the day, have we done our homework in really evaluating what we are mandating the PUC to do?"



"I wasn't going to say anything, Mr. Speaker, because right now in my written testimony to this House, I will be talking about a House Concurrent Resolution Number 71, which is requesting, Mr. Speaker and Members, urging the Public Utilities Commission to open a docket to consider the appropriateness of amending the regulatory structure applicable to electric utilities in light of ongoing developments and the deployment of renewable energy. Most Members don't know that we have a regulatory compact with the utility, and they had the monopoly.

"This particular resolution, which has not been heard at this point in time, will address the structural functions of this monopoly that we have today that was adopted many years ago. That's why I said to the Members of the House, Energy & Environmental Protection and the Consumer Protection Committee, I'm worried about the unintended consequences. That as those ratepayers who don't qualify for this particular program, those who don't qualify are the ones that are going to be paying for the present operations of the utilities that we have on Oahu.

"And it was for those reasons. Let's go back to the basics, which was the structural format of how the compact was created by the PUC and the Hawaiian Electric, or HEI, as you may call it, for the greater good. If the future holds that this structural idea regulatory format is not going to work in the next decade, let's look forward in changing it. But in the end, I don't know what's going to occur. But more importantly, for the record, this is a tariff that we're asking the PUC to consider. It is a tax increase to the consumer. Thank you."

Representative Lee rose to respond, stating:

"Thank you. In support and I'll be very brief. Just to make clear, there's nothing to do with increasing rates, fees, taxes. The tariff is the definition of the process creating the rules by which everyone will operate. I'll just end by noting that the whole point of the bill is to level the playing field, to make available the opportunity to save money to those who currently don't qualify. To make sure that it is not unfair for folks who can't adopt solar and have to be able to do that with everyone else subsidizing them. This is to level the playing field. Everyone will be able to then take advantage. That's the whole point. Thank you."

Representative Har rose, stating:

"Thank you, Mr. Speaker. Please change my reservations to a no vote, and may I please have the words of the Speaker Emeritus entered into the Journal as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

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

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

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 2934, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Second Reading and was referred to the Committee on Finance, with Representatives Har and Say voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representatives Tsuji and Evans, for the Committee on Economic Development & Business and the Committee on Water & Land, presented a report (Stand. Com. Rep. No. 1181-14) recommending that S.B. No. 3066, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 3066, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, no vote, brief comment. Mr. Speaker, given the tenor and tone of the last three sessions, I am amazed that we have a bill here that says you can be exempt from the procurement code. Not that it's got the DNA of the PLDC, but it doesn't pass the smell test of the PLDC.

"This is not a necessary thing. Case in point, yesterday Hawaii Kai did a private-public partnership with five acres of lands. They didn't need the government to come in and get some kind of a blessing with a procurement exemption. It was simply the private sector cooperating with the public sector.

"Mr. Speaker, I'm not sure why this is coming forward, but I think we need to back off and let things cool down before we do this. And if it's not even with a pilot mentioned, it's something we can encourage offline rather than through a legislative process.

"So the point is, this is being done out there. Hawaii Kai did it yesterday. And it's something, I think, we shouldn't encourage to have in the state with procurement exemptions. Thank you."

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

"Mr. Speaker, in support, brief comment. Mr. Speaker, I think what this bill does is send up a flag, a message that I think we need to understand, Mr. Speaker, given the projections with the economy of going to zero percent growth. I think this is an indication that we have a private sector that is struggling and they're trying to send us a message that we need to improve the regulatory and tax environment under which they operate.

"Mr. Speaker, this is a symptom of trying to be able to allow some progress and some measure to move forward. Even though the previous speaker did identify that this has a potential to maneuver around some regulations, that's an indication that the private sector needs some help, and maybe this is a way that we can send a little help in their direction. For those reasons, I'm in support, Mr. Speaker."

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

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

Representative Lowen 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."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and S.B. No. 3066, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC-PRIVATE FINANCE INITIATIVE," passed Second Reading and was referred to the Committee on Finance, with Representative Thielen voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1182-14) recommending that S.B. No. 2609, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2609, SD 1, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Thank you, Mr. Speaker. Reservations. I do support a lot of the language in the bill, but especially the tip credit portion of the bill, I do not support. But I just want to make it clear that the portion of the minimum wage increases, I'm in strong support of that. But the rest of it, the tip credit, is strong reservations. Thank you, Mr. Speaker."

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

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

"Mr. Speaker, the words, vote and sentiment of the gentleman from Kauai as my own, please," and the Chair "so ordered." (By reference only.)

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

Representative McDermott's written remarks are as follows:

"I respectfully oppose this bill, as it is counterproductive with regard to net economic prosperity. As the Hawaii Chamber of Commerce has noted:

[T]he minimum wage is a floor wage. For many employees, it is their first job and generally, entry-level positions. Employers must invest time and money to train these individuals... While only a small percentage of workers make minimum wage, a large increase would greatly impact many businesses as they will be forced to raise the rates of many of their employees.

"The hourly amounts may 'seem' small, but as the Hawaii Food Industry Association has noted:

The Prepaid Healthcare Act already makes Hawaii the most expensive state in the nation to do business. [The] Prepaid Healthcare Act already sets Hawaii's true current minimum wage at \$10.87. The effect of this measure will be to raise that cost to \$16.25 an hour by the end of the third year of increases for an employee that works 20 hours per week.

"I note that the problem with minimum wage increase bills is that they are all too often one-size-fits-all measures, often harmful to both businesses and to the employees the bills are intended to help. It is not easy being a small business owner, especially in this state. We should note the irony that there is no guarantee that the small business owner will receive a 'living wage' for his or her efforts, let alone make a profit. Yet we have no problem with trying to give entry-level workers a 'guaranteed' income, even though their bosses—often small business owners—endure regulations and costs that make the bosses' take-home pay subject to great uncertainty.

"I should also note that recently, over 500 economists sent a letter to President Obama and to Congress, opposing an increase in the minimum wage at the federal level.

"Some of the supporters of SB 2609 have said that not all minimum wage earners are young, entry-level employees, and that some such earners are older and have families. To that, I respond, that the bill is a Band-Aid to a deeper problem: Hawaii historically has had a horrible reputation for

its education system. If today's older adults cannot compete with today's young teens, then I suggest that part of the problem is that those adults were robbed of a solid education as children. But that is the fault of the Department of Education—not the fault of employers. I strongly support, however, educational opportunities for adults. Let our community colleges help lower-skilled workers get the training they need, so that they can take their skills to the jobsite, and then earn higher wages.

"Ironically, today, I am fighting against the blatant political correctness that is taking over the DOE, in the form of Pono Choices and misleadingly labeled 'tolerance training'. I'm called a bigot because I would rather discard those distractions. I'd rather see students focus on reading, writing, arithmetic, science, and history. If the DOE follows my advice, and today's kids have a real education, then they will be the upwardly mobile, ready-to-work adults of tomorrow, and our minimum wage discussions will be moot."

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

"Mr. Speaker, with reservations and may I have the words of the Representative from Kauai adopted as my own. And just with a brief comment, Mr. Speaker. As in the measure prior to this one, where we're talking about the impact that it's going to have on the private sector. Mr. Speaker, we just got our growth numbers revised down to zero. We're looking at a health connector, a health care system that is severely going to impact the private sector. We have a whole host of regulations coming down the pipe, Mr. Speaker, that are really going to hurt the private sector and it's really injecting a lot of uncertainty, Mr. Speaker.

"If we don't pay attention to the signs that the private sector is trying to send us in regards to the growth vibrancy and vitality of that sector, Mr. Speaker, we need to make sure that we move forward with great measures of prudence in regards to the cost that we continue to pile up on these businesses, Mr. Speaker. And this is for the health and wellbeing of the entire State of Hawaii. So, with those reasons, Mr. Speaker, I'm still with reservations."

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

"Mr. Speaker, may I be consistent on this particular measure that I will be voting no, but I did share for the Members of this Body when the House bill went over, I did share with all of you that we already have a bill in conference and it limits us now to the wage increases and the tip credit. What it was, was the dollar amount of what the tip credit increase would have been.

"This particular measure on the tip credit side now has that threshold, which may make it very difficult for a lot of restaurants to determine how much tip credit the employees will get. So for those reasons, I'm not in opposition. Just that we do have a vehicle in conference that both sides had agreed last year that the wages were fine. It was just the tip credit, as far as the dollar amount and not the threshold. Thank you very much."

Representative Onishi 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."

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

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

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

"Mr. Speaker, with reservations as well, but for different reasons than the previous speakers, I believe. I don't see why the increases have to be so slow, and I have serious doubts about whether a tip credit is necessary at

all. Maybe I'm eating at the wrong restaurants in Kalihi, but none of the wait staff that I deal with are getting rich at all. Thank you."

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

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

"Thank you, Mr. Speaker. In support with reservations. May I please have the words of the Representative from Lihue entered into the Journal as if they were my own? And just one brief comment. Again, this version of the bill continues to ignore the fact that the poverty rate, that is the trigger in this bill, is not prorated to the number of hours worked. So the same poverty threshold is used for a 40 hour employee, as well as a 20 hour employee, making it quite plausible that none of our tipped employees will ever meet that poverty threshold. For those reasons, Mr. Speaker, I am with strong reservations. Thank you."

Representative Ito rose in support of the measure with reservations and asked that the remarks of Representatives Tokioka and Har be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2609, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," passed Second Reading and was referred to the Committee on Finance, with Representatives McDermott and Say voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1183-14) recommending that S.B. No. 2074, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2074, SD 1, HD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1184-14) recommending that S.B. No. 2916, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2916, SD 2, 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 Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1185-14) recommending that S.B. No. 2704, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2704, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPENSATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1186-14) recommending that S.B. No. 2799, SD 2, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B.

No. 2799, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1187-14) recommending that S.B. No. 2845, SD 1, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki 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 Cabanilla.

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

Representative Fale 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."

Representative Oshiro 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. 2845, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO APPOINTMENT OF EXEMPT PERSONNEL IN THE DEPARTMENT OF HUMAN SERVICES FOR THE STATE MEDICAL ASSISTANCE PROGRAMS," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1188-14) recommending that S.B. No. 2846, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2846, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHING A SECOND DEPUTY DIRECTOR POSITION FOR THE DEPARTMENT OF HUMAN SERVICES," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1189-14) recommending that S.B. No. 3039, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 3039, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

Representative Yamashita 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. 3039, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1190-14) recommending that S.B. No. 3099, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3099, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO

PUBLIC EMPLOYMENT," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1191-14) recommending that S.B. No. 2486, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2486, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PRIVATE GUARDS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1192-14) recommending that S.B. No. 2031, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2031, SD 2, HD 2 be referred to the Committee on Finance, seconded by Representative Cabanilla.

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, 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 Fukumoto 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, stating:

"Thank you, Mr. Speaker. In support. Grown here, not flown here. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2031, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1193-14) recommending that S.B. No. 1043, SD 1, HD 1 be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1043, SD 1, HD 1 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

"Mr. Speaker, I need to disclose a potential conflict of interest. I own shares of stock in Hawaiian Electric Company. Thank you."

The Chair addressed Representative Oshiro, stating:

"No conflict. It should be mentioned, Representative, that here on, it will be 'no conflict' for Hawaiian Electric. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1043, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRICITY PRODUCERS," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1194-14) recommending that S.B. No. 2076, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2076, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNLICENSED CONTRACTOR FRAUD," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1195-14) recommending that S.B. No. 2475 pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2475, entitled: "A BILL FOR AN ACT RELATING TO ASSISTING UNLICENSED CONTRACTORS," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1196-14) recommending that S.B. No. 3127, SD 1 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3127, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives McKelvey and Rhoads, for the Committee on Consumer Protection & Commerce and the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1197-14) recommending that S.B. No. 2250, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committees was adopted and S.B. No. 2250, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARITABLE SOLICITATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1198-14) recommending that S.B. No. 2581, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2581, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUILDING CODE," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1199-14) recommending that S.B. No. 2809, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2809, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UTILITIES REGULATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1200-14) recommending that S.B. No. 3094, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3094, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1201-14) recommending that S.B. No. 3042, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3042, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE CLASSES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1202-14) recommending that S.B. No. 2821, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2821, 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 Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1203-14) recommending that S.B. No. 2348, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2348, 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 Representatives Tokioka, Ward and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1204-14) recommending that S.B. No. 2490, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2490, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING COMPETENCY FOR NURSES," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1205-14) recommending that S.B. No. 2175, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2175, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INDUSTRIAL HEMP," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative Wooley, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 1206-14) recommending that S.B. No. 2920,

SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2920, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representatives Belatti and Nakashima, for the Committee on Health and the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1207-14) recommending that S.B. No. 3064, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committees be adopted, and that S.B. No. 3064, SD 2, HD 1 pass Second Reading and be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

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

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

Representative Kawakami 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 Committees was adopted and S.B. No. 3064, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HEALTH SYSTEMS CORPORATION," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1208-14) recommending that S.B. No. 1038, SD 2, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 1038, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1209-14) recommending that S.B. No. 2120 pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2120, entitled: "A BILL FOR AN ACT RELATING TO

CAMPAIGN SPENDING," passed Second Reading and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1210-14) 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 Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2876, SD 2, HD 2, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII STATE CONSTITUTION TO ASSIST DAM AND RESERVOIR OWNERS," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1211-14) recommending that S.B. No. 2211, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2211, SD 2, HD 2 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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

Representative McDermott's written remarks are as follows:

"I respectfully oppose this bill, as I believe that it is built on faulty assumptions, which make for bad public policy.

"The bill laments the thought that children might feel 'judged'. I make moral judgments regarding my children's behavior every day. If they do something right, then I praise them. If they do something wrong, I correct them. That is my right and duty as a parent.

"I note that during the March 20, 2014 Judiciary Committee hearing on this measure, I was floored by some of the statements from one of the bill's chief supporters. I am not going to state her name within these comments, as I have no desire to embarrass her. If anyone wishes to know the name of this testifier or her organization, however, please call or write to my office.

"During the hearing, she actually bemoaned the fact that minors can be arrested for running away from home, while adults aren't arrested from running away from home. The reality is that minors are not adults, and cannot be treated as such. The testifier also insisted that teens only run away from home if they are being abused. Either she is divorced from reality, or intellectually dishonest. I know of too many cases where the minor runs away from home because the parents disapprove of the minor's friends, or the minor doesn't like to follow rules. Yet the committee passed this bill, in part, due to the urging of this testifier.

"If children are truly being abused, we have a Child Welfare Services agency that can help them. Police officers can also be of service. If the state's current protective services program needs reform, then let's work on that. If the current system needs funds, then I'm willing to vote for additional funding—so long as that funding actually goes toward improving the process.

"This bill, however, is an insult to parental rights. We cannot have a system where the state is encouraging children to run away from home."

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

Representative Fale's written remarks are as follows:

"Mr. Speaker, I rise in opposition to SB 2211, SD 2, HD 2, a measure that relates to the Office of Youth Services to coordinate a five-year safe

places for youth pilot program to establish a network of safe places where youth can access safety and services.

"Mr. Speaker, although I understand the intent of this bill, I am voicing my concern about unintended consequences. Mr. Speaker, I am concerned about the unintended consequences of taking away parental rights, for parents with children under the age of 18. We know that it is possible for a youth to be raised in a stable home situation, but because of choosing to run with the wrong crowd of friends, a youth may become involved in drugs and ultimately become an addict. It is unclear, Mr. Speaker, if parents of a child who has become addicted to drugs will be able to maintain their parental rights, in light of this particular bill.

"For these reasons, Mr. Speaker, I rise in opposition to SB 2211, SD 2, HD 2."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2211, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO YOUTH," was referred to the Committee on Finance, with Representatives Fale and McDermott voting no, and with Representatives Tokioka, Ward and Yamane being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1212-14) recommending that S.B. No. 1179, SD 1, as amended in HD 1, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 1179, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT ORDERS TO PROVIDE MEDICAL TREATMENT FOR INMATES AND DETAINEES IN CORRECTIONAL FACILITIES," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1213-14) recommending that S.B. No. 2463, SD 2, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2463, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1214-14) recommending that S.B. No. 2820, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 2820, SD 2, HD 2 be referred to the Committee on Finance, seconded by Representative Cabanilla.

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. 2820, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1215-14) recommending that S.B. No. 2758, SD 1, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2758, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HURRICANE RESERVE TRUST FUND," passed Second Reading

and was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1216-14) recommending that S.B. No. 2472, SD 2, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2472, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPY PRACTICE," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1217-14) recommending that S.B. No. 2054, SD 3, HD 1, as amended in HD 2, be referred to the Committee on Finance.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 2054, SD 3, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was referred to the Committee on Finance, with Representatives Tokioka, Ward and Yamane being excused.

At 1:47 o'clock p.m., Representative Tsuji requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:48 o'clock p.m.

Representative Nakashima, for the Committee on Labor & Public Employment, presented a report (Stand. Com. Rep. No. 1218-14) recommending that S.B. No. 3038 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3038, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LABOR RELATIONS BOARD," passed Second Reading and was placed on the calendar for Third Reading, with Representatives Tokioka and Yamane being excused.

Representative Takai, for the Committee on Veterans, Military, & International Affairs, & Culture and the Arts, presented a report (Stand. Com. Rep. No. 1219-14) recommending that S.B. No. 3107, SD 1, as amended in HD 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and S.B. No. 3107, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE INSTRUMENT," passed Second Reading and was placed on the calendar for Third Reading, with Representatives Tokioka and Yamane being excused.

Representative Lee, for the Committee on Energy & Environmental Protection, presented a report (Stand. Com. Rep. No. 1220-14), recommending that H.R. No. 167, as amended in HD 1, be referred to the Committee on Agriculture.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.R. No. 167, HD 1, entitled: "HOUSE RESOLUTION URGING THE PUBLIC UTILITIES COMMISSION TO ESTABLISH ENERGY EFFICIENCY AND CONSERVATION PROGRAMS FOR AGRICULTURAL ACTIVITIES THAT PRODUCE FOOD FOR LOCAL CONSUMPTION AND TO DEVELOP APPROPRIATE INCENTIVES FOR AGRICULTURAL USES THAT MAY BE SHIFTED TO OFF-PEAK TIMES OR MAY BE AVAILABLE TO PARTICIPATE IN DEMAND RESPONSE TO THE BENEFIT OF THE ELECTRIC GRID,"

was referred to the Committee on Agriculture, with Representatives Takai, Tokioka and Yamane being excused.

Representative Lee, for the Committee on Energy & Environmental Protection, presented a report (Stand. Com. Rep. No. 1221-14), recommending that H.C.R. No. 212, as amended in HD 1, be referred to the Committee on Agriculture.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.C.R. No. 212, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE PUBLIC UTILITIES COMMISSION TO ESTABLISH ENERGY EFFICIENCY AND CONSERVATION PROGRAMS FOR AGRICULTURAL ACTIVITIES THAT PRODUCE FOOD FOR LOCAL CONSUMPTION AND TO DEVELOP APPROPRIATE INCENTIVES FOR AGRICULTURAL USES THAT MAY BE SHIFTED TO OFF-PEAK TIMES OR MAY BE AVAILABLE TO PARTICIPATE IN DEMAND RESPONSE TO THE BENEFIT OF THE ELECTRIC GRID," was referred to the Committee on Agriculture, with Representatives Takai, Tokioka and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1222-14), recommending that H.R. No. 87, as amended in HD 1, be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.R. No. 87, HD 1, entitled: "HOUSE RESOLUTION URGING THE DIRECTOR OF HEALTH TO CONVENE A TASK FORCE TO ASSESS THE SCOPE AND FEASIBILITY OF ESTABLISHING AN EMERGENCY SERVICES PATIENT ADVOCATE PROGRAM," was referred to the Committee on Consumer Protection & Commerce, with Representatives Takai, Tokioka and Yamane being excused.

Representative Belatti, for the Committee on Health, presented a report (Stand. Com. Rep. No. 1223-14), recommending that H.C.R. No. 122, as amended in HD 1, be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative Saiki, seconded by Representative Cabanilla and carried, the report of the Committee was adopted and H.C.R. No. 122, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE DIRECTOR OF HEALTH TO CONVENE A TASK FORCE TO ASSESS THE SCOPE AND FEASIBILITY OF ESTABLISHING AN EMERGENCY SERVICES PATIENT ADVOCATE PROGRAM," was referred to the Committee on Consumer Protection & Commerce, with Representatives Takai, Tokioka and Yamane being excused.

## ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, for those interested in promoting high school football and having a good time with their kids, everyone is invited to the Hawaii Kai carnival this evening and this weekend. And Mr. Speaker, who knows if and when there will be another carnival on the Hawaii Kai great lawn. Thank you."

Representative Oshiro: "Mr. Speaker, at the appropriate time can we have a short moment of silence. Today, I attended the vigil for Senator Kenny Brown. It just ended about an hour ago, but I think it would be a well received expression of our *aloha* for a man who's done much for Hawaii and traces his genealogy to our last *Ali'i*. Thank you, Mr. Speaker."

At this time, the Members of the House of Representatives stood for a moment of silence in honor of the late former Senator Kenneth Brown.

**COMMITTEE REASSIGNMENTS**

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

<u>S.B.</u> <u>Nos.</u>	<u>Re-referred to:</u>
894, SD2	Committee on Finance
2274, SD1, HD1	Committee on Water & Land, then to the Committee on Finance

**ADJOURNMENT**

At 1:53 o'clock p.m., on motion by Representative Cabanilla, seconded by Representative Fukumoto and carried, the House of Representatives adjourned until 12:00 o'clock noon, Monday, March 24, 2014. (Representatives Ito, Takai, Tokioka and Yamane were excused.)