

**HAWAII STATE
HOUSE OF REPRESENTATIVES**

REGULAR SESSION OF 2015

***ROUGH DRAFT
JOURNAL***

**FORTY-SIXTH DAY
APRIL 14, 2015**

OFFICE OF THE CHIEF CLERK

BT

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FORTY-SIXTH DAY

Tuesday, April 14, 2015

The House of Representatives of the Twenty-Eighth Legislature of the State of Hawaii, Regular Session of 2015, convened at 9:07 o'clock a.m., with Speaker Souki presiding.

The invocation was delivered by Kumu Keahi Renaud, after which the Roll was called showing all Members present.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 491 through 500) were received and announced by the Clerk:

Sen. Com. No. 491, transmitting H.B. No. 87, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 492, transmitting H.B. No. 271, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 493, transmitting H.B. No. 279, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 494, transmitting H.B. No. 393, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN FISHPONDS," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 495, transmitting H.B. No. 500, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 496, transmitting H.B. No. 589, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STROKE CARE," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 497, transmitting H.B. No. 770, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 498, transmitting H.B. No. 1099, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO OUTDOOR ADVERTISING," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 499, transmitting H.B. No. 1272, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO MOVIE THEATERS," which passed Third Reading in the Senate on April 10, 2015.

Sen. Com. No. 500, transmitting H.B. No. 1297, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," which passed Third Reading in the Senate on April 10, 2015.

Representative Saiki moved to disagree to the amendments made by the Senate to the following House Bills, seconded by Representative Evans and carried:

H.B. No. 87, (SD 2)
H.B. No. 271, HD 2, (SD 1)
H.B. No. 279, HD 2, (SD 1)
H.B. No. 393, HD 2, (SD 2)
H.B. No. 500, HD 1, (SD 1)
H.B. No. 589, HD 1, (SD 1)
H.B. No. 770, HD 1, (SD 1)
H.B. No. 1099, HD 2, (SD 2)

H.B. No. 1272, HD 2, (SD 2)
H.B. No. 1297, HD 1, (SD 1)

INTRODUCTIONS

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

Representative Keohokalole introduced Ms. Kat Brady, Coordinator, Community Alliance on Prisons.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Tupola and carried, the rules were suspended for the purpose of considering certain Senate Bills for Third Reading by consent calendar.

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, there is no discussion on these items, so we are going to be calling for the vote on the Consent Calendar."

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1536) recommending that S.B. No. 743, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 743, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ACTIVITY DESKS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto 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. 1537) recommending that S.B. No. 1115, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1115, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BUILDING DESIGN FOR PERSONS WITH DISABILITIES," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1538) recommending that S.B. No. 14, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 14, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1542) recommending that S.B. No. 1001, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1001, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO

MANUFACTURING," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1556) recommending that S.B. No. 1177, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1177, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1558) recommending that S.B. No. 1157, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1157, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STARLIGHT RESERVE," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1564) recommending that S.B. No. 831, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 831, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1568) recommending that S.B. No. 158, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 158, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET DOCUMENTS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1587) recommending that S.B. No. 140, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 140, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT RECORDS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1592) recommending that S.B. No. 100, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 100, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1597) recommending that S.B. No. 160, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 160, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII NON-GENERAL FUNDS," passed Third

Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1606) recommending that S.B. No. 1211, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1211, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MAJOR DISASTER FUND," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1608) recommending that S.B. No. 1096, SD 1, HD 2 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1096, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ON-BILL PROGRAMS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1613) recommending that S.B. No. 64, SD 3, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 64, SD 3, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1614) recommending that S.B. No. 1316, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1316, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLES," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1623) recommending that S.B. No. 464, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 464, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1639) recommending that S.B. No. 1150, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1150, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1642) recommending that S.B. No. 1093, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1093, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

THIRD READING

S.B. No. 104, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 104, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BUDGETING," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

S.B. No. 105, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 105, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

S.B. No. 253, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 253, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE DEBT," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

S.B. No. 1092, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1092, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF NON-GENERAL FUNDS," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

S.B. No. 1136, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1136, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SECTION 235-55.91, HAWAII REVISED STATUTES," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

S.B. No. 92, SD 2, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 92, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

At 9:15 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 743, SD 1, HD 2
S.B. No. 1115, SD 1, HD 1
S.B. No. 14, SD 1, HD 2
S.B. No. 1001, SD 2, HD 1
S.B. No. 1177, SD 1, HD 1
S.B. No. 1157, SD 2, HD 1
S.B. No. 831, SD 2, HD 1
S.B. No. 158, SD 1, HD 1
S.B. No. 140, HD 2
S.B. No. 100, SD 1, HD 1
S.B. No. 160, SD 2, HD 1
S.B. No. 1211, SD 1, HD 1
S.B. No. 1096, SD 1, HD 2
S.B. No. 64, SD 3, HD 1
S.B. No. 1316, SD 2, HD 2
S.B. No. 464, SD 1, HD 2
S.B. No. 1150, SD 1, HD 2
S.B. No. 1093, SD 2, HD 1

S.B. No. 104, SD 1, HD 1
S.B. No. 105, SD 1, HD 1
S.B. No. 253, SD 1, HD 1
S.B. No. 1092, SD 1, HD 1
S.B. No. 1136, HD 1
S.B. No. 92, SD 2, HD 1

At this time, the Chair stated:

"This is a reminder, submit to the Clerk your list of bills from the Consent Calendar for which you may be inserting comments, in support or opposition, by adjournment today."

At 9:15 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:25 o'clock a.m.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1539) recommending that S.B. No. 273, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 273, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

Representative 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. 273, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION CARDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Jordan and Oshiro voting aye with reservations, and with Representative Har voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1540) recommending that S.B. No. 1060, SD 2, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1060, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you very much, Mr. Speaker. In strong support with written comments. Thank you."

Representative Tsuji's written remarks are as follows:

"This Administration bill would assist the livestock industry by establishing a low interest biosecurity loan program to help install measures vital to their success.

"Current Federal regulations ensure a safe food supply by protecting livestock operations from the introduction of pests, diseases and pathogens, and from the spread of diseases and pathogens to other farms and ranches. Hawaii's livestock industry struggles with high operational costs. Low interest loans under the Agricultural Loan Program can assist the livestock industry and promote its sustainability. Since the House companion to this measure did not meet legislative deadlines, I support this remaining vehicle to help broaden the scope of available financial services to this important sector of Hawaii's agriculture."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1060, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1541) recommending that S.B. No. 887, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 887, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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. I work for the cable company. Thank you," and the Chair ruled, "no conflict."

Representative Tokioka continued, stating:

"And, Mr. Speaker, for the rest of the session, will this apply? 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. 887, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1543) recommending that S.B. No. 1066, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1066, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM INTERSTATE FAMILY SUPPORT ACT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1544) recommending that S.B. No. 143, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 143, SD 1, HD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO CHANGE THE THRESHOLD VALUE IN CONTROVERSY REQUIREMENT FOR JURY TRIALS IN CIVIL CASES AT COMMON LAW FROM \$5,000 TO \$10,000," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Fukumoto Chang, Matsumoto, Pouha and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1545) recommending that S.B. No. 144, SD 1, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 144, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, in opposition. Mr. Speaker, I want I just want to make sure that our good citizens are able to obtain adjudicated relief, that we at least consider that moving forward. I think of the people from my district in making sure that they are able to have access to this. I understand it's only available at the intermediate court level here in our state. I do believe that Hawaii already has a high enough threshold in \$5,000. I do believe \$10,000 may be far too much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 144, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO JURY TRIAL," passed Third Reading by a vote of 47 ayes to 4 noes, and with Representatives Fukumoto Chang, Matsumoto, Pouha and Tupola voting no.

At 9:30 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 273, SD 2, HD 2
S.B. No. 1060, SD 2, HD 1
S.B. No. 887, SD 2, HD 1
S.B. No. 1066, SD 1, HD 1
S.B. No. 143, SD 1, HD 1
S.B. No. 144, SD 1, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1546) recommending that S.B. No. 440, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 440, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VACANCIES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1547) recommending that S.B. No. 504, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 504, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 504, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1548) recommending that S.B. No. 1124, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1124, HD 1, entitled: "A BILL FOR AN ACT RELATING TO USE PERMITS FOR SMALL BOAT HARBORS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1549) recommending that S.B. No. 1087, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1087, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1550) recommending that S.B. No. 1089, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1089, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1551) recommending that S.B. No. 577, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 577,

SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Choy and Say voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1552) recommending that S.B. No. 822, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 822, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 51 ayes.

At 9:32 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 440, SD 1, HD 1
S.B. No. 504, SD 2, HD 1
S.B. No. 1124, HD 1
S.B. No. 1087, SD 1, HD 1
S.B. No. 1089, SD 1, HD 1
S.B. No. 577, SD 2, HD 1
S.B. No. 822, SD 1, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1553) recommending that S.B. No. 1117, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1117, SD 2, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 51 ayes.

Representative Aquino, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 1554) recommending that S.B. No. 717, SD 2, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 717, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, just in support but with reservations. I think that to do a study over something that the facts are pretty much clear should be done is like bringing a knife to a gun fight. Thank you very much."

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

"Mr. Speaker, ruling on a potential conflict. The company I work for sells gasoline. 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. 717, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHANOL," passed Third Reading by a vote of 51 ayes, with Representative McKelvey voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1555) recommending that S.B. No. 181, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 181, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1557) recommending that S.B. No. 736, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 736, SD 1, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, ruling on a potential conflict. My law firm represents physicians who are often subject to recoupment efforts by insurance companies," and the Chair ruled, "no conflict."

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. 736, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1559) recommending that S.B. No. 1295, SD 1, HD 2 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1295, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1560) recommending that S.B. No. 559, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 559, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE MILITARY," passed Third Reading by a vote of 51 ayes.

At 9:35 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1117, SD 2, HD 1
S.B. No. 717, SD 2, HD 1
S.B. No. 181, SD 1, HD 1
S.B. No. 736, SD 1, HD 2
S.B. No. 1295, SD 1, HD 2
S.B. No. 559, SD 2, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1561) recommending that S.B. No. 912, SD 1, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 912, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Please note my reservations on this measure. Mr. Speaker, this measure could potentially cost our state anywhere from \$2 to \$3 million a year going forward, and we should allow the department to make these decisions instead of this particular Body making these decisions. 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. 912, SD 1, HD 1, entitled: "A

BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1562) recommending that S.B. No. 854, SD 2, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 854, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 854, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL LANDS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting aye with reservations, and with Representative Kong voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1563) recommending that S.B. No. 374, SD 2, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 374, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DUAL CREDIT PROGRAMS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1565) recommending that S.B. No. 1345, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1345, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, in strong support. I just wanted to note a few things, that multi-track schools as I think we all know were established as a desperate stop-gap measure to deal with capacity issues in our most overcrowded schools. On behalf of my constituents, I welcome the intent and hopeful effect of this bill will bring the multi-track schools into alignment with the single calendar year. I am, however, concerned that requiring the DOE to do a study about this sort of thing will have no effect unless this House and the Senate funds the DOE's budget for capacity issues.

"Campbell High School in my district was built for 1,800 kids. They have 3,000 today. They're going to have 3,400 in three years. We have an obligation to help fund those things. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Thank you. I have spoken with the introducer of the measure so I just have a very slight concern but not enough to raise it to a 'with reservations' vote. My only concern with this, I appreciate the second half of it, in my district we have Mililani Middle School, and all they really need is just one new building and they can go to single track. To me that's the best solution, but I do know that the DOE sometimes takes the easiest solution not necessarily the best solution, and I'm concerned that they're going to go and decide to redistrict the schools instead of just building new space.

"So that would be my one concern moving forward. If that is included in their plan, then I'm going to be very much against it and I think my community will be very much against it, and I want to make sure that that is not where this bill leads. Thank you."

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

"Thank you, Mr. Speaker. Also in strong support. Just a brief comment. I also represent Mililani, and the portion that I would represent if it got redistricted would end up going to Wheeler and then back to Mililani High School, and I don't think that's in the best interest of the students. I'm all in favor of getting rid of the multi-track system in Mililani. I believe there's still two schools in our state that do have the multi-track system, but I would want to make sure that we weren't redistricting students out and then forcing them back into another school. And if I could have the words from the previous speaker also inserted into the Journal. Thank you, Mr. Speaker," 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. 1345, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1566) recommending that S.B. No. 675, SD 2, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 675, SD 2, HD 3 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, with reservations. It appears that this bill gives the firefighters more than they asked for, and is creating a special classification of all government workers that if you're a firefighter you're going to get more benefits than the rest of the other government workers. And as such, I vote with reservations."

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

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

"Just a ruling on a potential conflict. My husband is a firefighter. Thank you," and the Chair ruled, "no conflict."

Representative Keohokalole 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. 675, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO FIREFIGHTERS," passed Third Reading by a vote of 51 ayes, with Representatives Keohokalole, McKelvey and San Buenaventura voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1567) recommending that S.B. No. 1122, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1122, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. I just have a concern with using a constant number, 276, to multiply by the minimum wage. So currently the threshold is set at 2,000, which multiplied by the minimum wage is still over what they would make per month. It's \$11.54 an hour which is above the minimum wage. But what happens when we multiply it by a constant is that we're assuming that the constant will help us to keep up with it. When

the constant is a random number, 276, is not the minimum wage. The minimum wage we could predict, and that could be the constant, but to multiply it by 276 every year, so when the minimum wage gets up to \$10.10 it will be roughly around 787 per employee for every business and then roughly around 9,000 per month and roughly around 94,000 for 10 employees for a company.

"So just looking ahead, maybe not multiplying it by a constant but making sure there's a threshold that we don't fall under but using a formula that might work for the preceding years, knowing that we can't predict the economy. Thank you."

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

"Mr. Speaker, with reservations. I support the intent of the bill. I oppose the procedure that prevents the employer to take into account extra-curricular benefits, for lack of better term, such as condominium associations providing housing, that is not taken into account in determining the minimum wage requirement. Thank you."

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

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

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

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

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

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

"Strong support. Mr. Speaker, this bill will help protect salaried employees so that they're not abused. Given the new minimum wage laws, I think it's incumbent upon this Body that passed a new minimum wage law to ensure that salaried employees are not abused by being made to work perhaps excessive overtime but not being fairly compensated. Thank you."

Representative Pouha 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. 1122, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WAGE AND HOUR LAW," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Creagan, DeCoite, Fukumoto Chang, Har, Kawakami, Matsumoto, Pouha, San Buenaventura, Thielen, Tokioka and Ward voting aye with reservations, and with Representatives Kong and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1569) recommending that S.B. No. 1324, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1324, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations. Speaking with the ERS, they were just encouraging us to maybe adopt more of the Senate language so that they could have specifications on how to divvy up the retirement money, and the Senate Bill had a lot more particular language that would make it less expensive for them to calculate using their current system that they have.

"Also, it had wording more clear in regards to the taxation. In the House Bill, it said they shall be taxed, in the Senate Bill, it said that they will be responsible for each tax. So kind of semantic issues, but if they had more specifications in this specific bill, they'd be able to do the job better, if they had more line by line what would need to happen with the divvying of the different retirement benefits for divorcees. So, 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. 1324, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DIVORCE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representative Tupola voting aye with reservations, and with Representatives Kong and McDermott voting no.

At 9:46 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 912, SD 1, HD 1
S.B. No. 854, SD 2, HD 2
S.B. No. 374, SD 2, HD 2
S.B. No. 1345, HD 1
S.B. No. 675, SD 2, HD 3
S.B. No. 1122, HD 1
S.B. No. 1324, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1570) recommending that S.B. No. 1361, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1361, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, reservations, please. Mr. Speaker, my reservation is I see no reason why the University of Hawaii should be exempted from this bill. 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. 1361, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BUDGETING," passed Third Reading by a vote of 51 ayes, with Representative Choy voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1571) recommending that S.B. No. 519, SD 2, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 519, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1572) recommending that S.B. No. 1009, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1009, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE CHARGES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1573) recommending that S.B. No. 868, SD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 868, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR COMMISSIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1574) recommending that S.B. No. 376, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 376, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO A FARM TO SCHOOL PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1575) recommending that S.B. No. 512, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 512, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

At 9:48 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1361, SD 2, HD 1
S.B. No. 519, SD 2, HD 3
S.B. No. 1009, SD 1, HD 1
S.B. No. 868, SD 1, HD 2
S.B. No. 376, SD 2, HD 1
S.B. No. 512, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1576) recommending that S.B. No. 1059, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1059, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, in strong support and can I ask to insert written comments into the Journal? Thank you."

Representative Tokioka's written remarks are as follows:

"I rise in support of this measure and thank the Chair of the Committee on Agriculture for all his hard work. Invasive species threaten not only Hawai'i's agricultural industries, but also its unique environment that attracts millions of visitors every year. The little fire ant has a significant negative impact on ecosystems as it exacerbates pest problems, destroys crops, and stings and eats the eyes of pets and wild animals. It damages crops and stings farm workers, and also can infest homes and attack residents.

"I would like to commend the Department of Agriculture Chair Mr. Scott Enright as well as the Hawai'i Invasive Species Council on their hard

work in tracking, treating, and containing the little fire ant population. Their outreach, education and tracking programs have been indispensable in beginning to combat the little fire ant infestations on Maui, Kauai, Oahu, and Hawai'i island. The funding provided by this bill and the four additional positions will give them the resources to effectively and fully address the problem through strengthened tracking measures and a pesticide voucher program.

"Finally, I would like to extend my sincere appreciation, on behalf of the people of Kauai, to the Kauai Invasive Species Council for their diligent efforts to contain the little fire ant infestation in Kalihiwai."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1059, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1577) recommending that S.B. No. 964, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 964, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1578) recommending that S.B. No. 1221, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1221, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations. The charter school, the DOE and HSTA all support the intent of the bill but had significant suggestions because there already is a HRS Section 302 that covers diabetes, and the scope of what the bill is asking to do for the DOE would need an appropriation in order to complete all of that. It also asks that for each student that has diabetes that all people be trained, even bus drivers, which currently they don't work for the DOE, they contract out. So, small things like that.

"The charter school is also asking that part of the discrimination for the diabetes be put into their charter school section. So just different things that I think would help this bill to really fly. So hopefully we can take into consideration their suggestions. 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. 1221, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 51 ayes, with Representative Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1579) recommending that S.B. No. 778, SD 2, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 778, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

"Thank you, Mr. Speaker. I rise in support. I ask the indulgence of my colleagues. Even though I support this, I think these words really must be spoken.

"Mr. Speaker, controlling the language of a people is one of the greatest acts of imperialistic violence that can be collectively done to a people and to a culture. Allowing native language to flourish invigorates novel conceptual thought unique to that language. The Hawaiian language obviously holds fundamental importance to the identity of our state.

"Many of the challenges faced by the Hawaiian language immersion students and their assessment testing will be remedied by this bill, I have no doubt of that, and I urge my colleagues to support it. 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. 778, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1580) recommending that S.B. No. 786, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 786, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AHA MOKU ADVISORY COMMITTEE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1581) recommending that S.B. No. 1180, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1180, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Just in strong support, and comments to the Journal, if I may?"

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, I support this measure due to a key finding in a Transportation Management Area (TMA) Certification Review (September 25, 2014 Final Report). The Review exposed that the existing HRS Chapter 279E related to Metropolitan Planning Organization (MPO) conflicts with current federal transportation regulations 23 U.S.C 134 and 135 and 23 CFR 450. This conflict needs to be rectified in order for the Oahu MPO to maintain its federal TMA certification.

"The withholding of such federal funds (approximately \$12 million in highway and transit funding) would be detrimental to the State of Hawaii.

"Please move Senate Bill No. 1180, SD 2, HD 1 forward."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1180, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO METROPOLITAN PLANNING ORGANIZATIONS," passed Third Reading by a vote of 51 ayes.

At 9:52 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1059, SD 2, HD 2
S.B. No. 964, SD 2, HD 1
S.B. No. 1221, SD 2, HD 1
S.B. No. 778, SD 2, HD 2
S.B. No. 786, SD 2, HD 1
S.B. No. 1180, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1582) recommending that S.B. No. 213, SD 2, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 213, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PENAL CODE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1583) recommending that S.B. No. 230, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 230, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations, just small reservations. After speaking with the Public Defender's Office just specifying in HRS 706 regarding the documentation needed for restitution of wage hours, it does state in there that it needs to be verifiable, but strengthening the new section that we're putting in by stating that there needs to be documentation for loss of wage could help the strength of the law. 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. 230, HD 1, entitled: "A BILL FOR AN ACT RELATING TO RESTITUTION FOR VICTIMS OF CRIME," passed Third Reading by a vote of 51 ayes, with Representative Tupola voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1584) recommending that S.B. No. 286, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 286, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, with reservations. If this bill intends to create an Office of Inspector General per agency like they do in the federal government, then it's duplicative of the Office of the Auditor. My brother was a regional inspector general for USDA, and he did the same work that Marion Higa did or Jan Yamane did in the Office of the Auditor.

"I am for beefing up the Office of the Auditor to take into account any concerns there are, but I am against duplication, especially in this tight budgetary problems we have now. Thank you."

Representative Keohokalole 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 opposition to the measure, stating:

"Mr. Speaker, opposition, a few comments. Mr. Speaker, I'm down on this bill but I'm not down on the concept. Those of us who have worked in Washington know that the inspector general is like when the general shows up and everybody stands to attention. It gets everybody in the bureaucracy up and sharp. Right now it's too expensive and it's untimely, Mr. Speaker. We do not have a government that's turned the corner, we don't have an economy that's turned the corner in terms of its affordability.

"But we do need more inspections. We do need more watchdogs. I think it's commendable that Gina Mangieri is stepping forward, Keoki Kerr is stepping forward, Civil Beat is doing a lot of investigative reporting. But we don't have enough inspection and enough watch dogs, Mr. Speaker.

"So this bill will do that, but it's not timely now. And for those reasons I say we set it aside and come back and visit it a day when we can afford it, and when the things that are being unveiled that we are saying, how could that happen under our watch, it's because we don't have an inspector general the way they do at the federal level. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Thank you. I think people have brought up legitimate concerns with the bill thus far, but because it's moving to conference and I think everyone conceptually has support for it, I wanted to highlight a few things that I think make an inspector general distinct from some of the entities that we've already created.

"A primary difference between the legislative auditor as well as the ombudsman and what would be this created inspector general entity is the impetus for action and the abilities. Much because the legislative auditor as well as the ombudsman are attached to the Legislative Branch, and especially the auditor often requires authorization from us or takes cues from us. Unless we authorize things to be repeated or done perspective, it's often reactive, and reactive in a way that an inspector general is not necessarily handcuffed to. I think that's a significant difference.

"Having been a part of recruiting and recommending individuals for presidentially appointed, senate confirmed inspector general positions at the federal government, I think an important distinction is that good inspector generals don't just diagnose when a problem exists. They don't tell you after the fact that a problem exists. That is very important, and I think very necessary. But good inspector generals also preempt problems at the federal level.

"There are 72 inspector generals at the federal level, and I think having one in the Executive Branch as opposed to one that is attached legislatively to us and that requires often authorization from us, may not only yield evidence of potential wrong doing or issues in the state government, but also may preempt many of those problems, which I think many of us would rather see. It's far better to preempt something because you have the ability to say, to a cabinet director, it seems like things are going off the tracks, maybe you might want to reconsider this policy, rather than waiting until after the fact to tell us that something has happened.

"So I think for all those reasons, and again I think much of the points brought up do bear further consideration in the conference process, but I think there are significant differences that I wanted to bring to the attention of the Members as we consider this. Thank you."

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

"Thank you, Mr. Speaker. With reservations. Thank you. I think that a lot of the points that the previous speaker pointed out are actually quite good, and I think that's true, the inspector general serves a very different purpose than a legislative auditor would serve, particularly in other states. Many of the other states that don't have an inspector general are actually utilizing the attorney general position to do these same things, to make sure that they're proactively going after waste and abuse and fraud in government.

"I think that's something we can all get behind, but I think what we need to remember is these attorney generals that are doing this in other states are elected attorney generals. We do not have an elected attorney general here. So I think as we move this into conference, one of the things that we might want to consider is perhaps making this an elected position instead of an appointed position. 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. 286, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF THE STATE INSPECTOR GENERAL," passed Third Reading by a vote of 42 ayes to 9 noes, with Representatives Fukumoto Chang, Keohokalole and San Buenaventura voting aye with reservations, and with Representatives Choy, Kong, McDermott, McKelvey, Pouha, Say, Thielen, Tupola and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1585) recommending that S.B. No. 364, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 364, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1586) recommending that S.B. No. 1208, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1208, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Thielen voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1588) recommending that S.B. No. 508, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 508, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE," passed Third Reading by a vote of 51 ayes.

At 10:00 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 213, SD 2, HD 3
S.B. No. 230, HD 1
S.B. No. 286, SD 2, HD 1
S.B. No. 364, SD 2, HD 1
S.B. No. 1208, SD 1, HD 1
S.B. No. 508, SD 1, HD 2

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1589) recommending that S.B. No. 1072, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1072, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Keohokalole 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. 1072, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF THE ATTORNEY GENERAL," passed Third Reading by a vote of 51 ayes, with Representative Keohokalole voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1590) recommending that S.B. No. 287, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 287, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"With reservations. I think I'd still like to see something a little bit closer to the Oregon model, though this is getting better. Thank you."

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

ROUGH DRAFT

"Thank you, Mr. Speaker. With reservations. I'd just like to see stronger penalties for voter fraud and vote tampering. It does happen, it's not a myth, and I don't think enough has been done to address those criminally. Thank you."

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

"Thank you, Mr. Speaker. Reservations. My reservations basically has to do with the fact that this may conflict with our measure that we approved last year to have same day voter registration. Thank you."

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

"Thank you, Mr. Speaker. Reservations, please. I do support this initiative and I do support attempts to increase voter turnout, but the old-timers in my community have overwhelmingly told me that they like to go and vote in person. Thank you."

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

"In support. It was mentioned that this might conflict with the same day registration measure we passed last year. I actually wanted to commend the Chair of Judiciary for making it all work actually, and including this and changing it from the Senate version which did repeal it, because they serve two different purposes.

"The vote by mail encourages people that haven't been voting to vote, that are usually already registered. It makes it more convenient and a lot easier. The same day registration is for people who haven't explored getting involved in the civic process or have never contemplated registering in the past, and they see a presidential debate and they get excited and by then it's too late to register. So they serve completely two different purposes.

"The Oregon model was mentioned, but the Colorado model actually that just was implemented last year incorporates this kind of hybrid system, and it does so very well, which they increase their voter turnout by 400,000 last year which is incredible. So I think that's a great example for us to follow, but also lead the way.

"I know a previous speaker mentioned penalties for voter fraud, and that's something we did work on last session, and I do also believe that there's some room, but that could be addressed in another measure and it has been. If we need to explore if there's some more egregious electioneering attempts to defraud, or a lot of complaints like we have seen in previous years, then that's definitely worth visiting too. But with all that said, in support. 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. 287, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 51 ayes, with Representatives Fukumoto Chang, Keohokalole, LoPresti and Oshiro voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1591) recommending that S.B. No. 996, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 996, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, note my reservations on this bill. Just a few comments. I guess I have concerns giving them money to do what they're already supposed to be doing. But then again when you're busy issuing opinions against people chaperoning, I can understand why. 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. 996, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Third Reading by a vote of 51 ayes, with Representative McKelvey voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1593) recommending that S.B. No. 1011, SD 1, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1011, SD 1, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Please note my reservations on the current draft of this measure, Mr. Speaker. 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. 1011, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1594) recommending that S.B. No. 1095, SD 1, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1095, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, in strong support. Thank you, Mr. Speaker. Mr. Speaker, I rise in strong support of Stand. Com. Report Number 1594, Senate Bill 1095 that clarifies the definition of rehabilitative services. The opportunity to act and define rehabilitative services for this Legislature is now, during this session. If we do not act in this session, then we will abdicate our legislative authority, and the decision will either be made for us by the operation of federal regulations or by an executive order by this Governor and his Insurance Commissioner.

"Why is it important that we act now and not allow the federal government or the Governor to make the decision for us? First, as a purely political and constitutional matter, we are appropriately asserting our authority as a co-equal branch of government that should not simply fall in line with the Governor. We are also asserting our state sovereignty by not simply defaulting to the federal definition.

"Second, as a matter of fighting for a pro-consumer, pro-patient bill, we need to definite rehabilitative services broadly enough and in line with current medical practices and standard of care to ensure that our residents have access to and receive quality health care services that they already paid for through their medical insurance plans.

"The defining of essential health benefits, as required as by the Affordable Care Act, is the new pre-existing condition hammer used by insurance companies to deny benefits and throw up obstacles to consumers and patients from getting the healthcare services they need. We need to define this particular essential health benefit, rehabilitative services, and it should come as no surprise that in testimony before the Finance Committee, HMSA suggests that we default simply to the Commissioner and the Governor.

"But, Mr. Speaker, I say that we don't simply default to the Commissioner and the Governor. That we take this opportunity to exercise our legislative authority. The last time essential health benefits were decided by the Governor, the former Governor of this state, the Legislature played no role in defining essential health benefits. Again, this is our opportunity.

"Now, people may rise and criticize that this definition of habilitative services is too encompassing, but in fact it falls in line with the definitions used in Michigan and Ohio. It falls in line with some of the definitions used by HMSA. It does include autism service benefits, something that we have fought for in this legislative session. But other states include autism services benefits in their essential health benefits of habilitative services.

"Mr. Speaker, for these reasons I support this bill moving forward so that we can continue to have that discussion of what that definition should be for the consumers and patients in this state. 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. 1095, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1595) recommending that S.B. No. 791, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 791, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AUTISM SPECTRUM DISORDERS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1596) recommending that S.B. No. 521, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 521, SD 1, HD 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION," passed Third Reading by a vote of 51 ayes.

At 10:10 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1072, HD 1
S.B. No. 287, SD 2, HD 2
S.B. No. 996, SD 2, HD 2
S.B. No. 1011, SD 1, HD 2
S.B. No. 1095, SD 1, HD 1
S.B. No. 791, SD 1, HD 2
S.B. No. 521, SD 1, HD 1

At 10:10 o'clock a.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:17 o'clock a.m.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1598) recommending that S.B. No. 1146, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1146, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1599) recommending that S.B. No. 304, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 304, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1600) recommending that S.B. No. 1367, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1367, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROJECT KEALAHOU," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1601) recommending that S.B. No. 452, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 452, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1602) recommending that S.B. No. 654, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 654, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGNS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1603) recommending that S.B. No. 661, SD 2, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 661, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, strong support. Mr. Speaker, first, gratitude to the Chair for hearing this at the last minute. The Finance Committee passed it out, and I just wanted to make a couple of comments about how this is all about the future, it's about diversifying the economy, it's about putting Hawaii center stage as a center of excellence for unmanned space research. We are one of six places designated in the nation to test this.

"Mr. Speaker, this is kind of a reciprocal of what ancient Hawaiian mariners, the navigators that discovered Hawaii. We are now in the contemporary version of that to navigate, if you will, unmanned, and then share that knowledge with this experiment that this bill allows to be afforded, for the future of the nation, the future of the world. So this is all about the future. And, Mr. Speaker, if I can request future comments into the Journal? Thank you."

Representative Ward's written remarks are as follows:

"In 2012, Congress directed the Federal Aviation Administration (FAA) to establish a test site program to safely integrate Unmanned Aerial Systems (UAS) into the National Airspace System (NAS); and in March of 2012, the FAA issued a notice through the Federal Register of its intent to identify six test ranges/sites to achieve this goal.

"In response to this announcement, the Hawaii State Legislature unanimously passed SCR 137, which requested DBEDT's Office of Aerospace Development to coordinate preparation of a proposal to the FAA from the State of Hawaii to become a UAS test site.

"A team of professionals within the State of Hawaii, with representatives from the Office of Aerospace Development/DBEDT, the State DOD, the State DOT, the University of Hawaii, the United States Pacific Command (USPACOM), and the private aerospace sector, was assembled to explore the possibility of establishing a UAS test range in Hawaii in response to this resolution.

"This group was soon contacted by the Alaska Center for Unmanned Aircraft Systems Integration at the University of Alaska, who proposed forming a three-state team (involving Alaska, Oregon and Hawaii) to establish a Pan-Pacific UAS Test Range Complex (PPUTRC).

"For nearly a year, this tri-state alliance worked to prepare a response to the FAA's call for UAS test site proposals, and submitted a final proposal to the FAA in the spring of 2013.

"In December of 2013, this tri-state proposal was selected by the FAA as one of six winning entries (out of more than 50 submitted by 37 states) to develop an FAA UAS research and test site, representing a diverse set of locations in seven climatic zones.

"Hawaii has much to contribute to the PPUTRC, including: (1) ample over-water airspace to safely conduct UAS testing and evaluation; (2) a benign climate to help maximize the time available for UAS T&E; (3) a robust aviation infrastructure and workforce at both state and federal facilities that can support these activities; and (4) a variety of high tech companies that are already engaged in UAS development, testing and evaluation, affording additional UAS experience/expertise.

"As noted in SB 661, unmanned air systems have the potential to become an \$80B business worldwide in the next decade, and Hawaii has a unique opportunity to assume a significant role in this rapidly expanding industry.

"Once unmanned air systems are safely integrated into the NAS, many commercial applications are anticipated to emerge, including (but not limited to) ongoing surveillance and management of natural and other environmental resources, enhanced physical security of critical infrastructure such as harbors and power generation facilities, expanded and detailed monitoring of agriculture operations statewide, and rapid-response management and mitigation of both natural and man-made disasters.

"Hawaii's emerging UAS industry will also bring new revenue streams and employment opportunities to our state from companies who will test and evaluate their systems in Hawaii. In addition, the technologies associated with UAS and their control align well with robotics and STEM education programs in local schools, and will provide multiple Hawaii-based career opportunities for our children.

"Ultimately, our vision is to establish Hawaii as a premier location for UAS certification that will require testing and evaluation in all domains, from seabeds to surface operations to space. In combination with the extensive professional resources and ongoing research, development and training programs in both Alaska and Oregon, the proposed Pan-Pacific Test Range will afford a unique and world-class 'region of excellence' to help advance our nation's pioneering leadership on the UAS frontier.

"Alaska and Oregon have already hired COO's and established advisory boards to manage their state-based components to the PPUTRC. SB 3053 was introduced in the 2014 Session to do the same for Hawaii, and passed through all committees in both Houses with no nay or reservation votes. But this measure was deferred at the last meeting of the conference committee considering this bill.

"We are now over a year behind schedule in launching Hawaii's component of the PPUTRC, and SB 661 (patterned after SB 3053), is intended to remedy this situation. It is most urgent that the Legislature follow through this Session on Hawaii's commitment to the tri-state team (and FAA!)."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 661, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNMANNED AERIAL SYSTEMS TEST SITES," passed Third Reading by a vote of 51 ayes.

At 10:20 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1146, SD 1, HD 1

S.B. No. 304, SD 2, HD 1
S.B. No. 1367, SD 1, HD 1
S.B. No. 452, SD 1, HD 2
S.B. No. 654, SD 1, HD 2
S.B. No. 661, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1604) recommending that S.B. No. 1158, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1158, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS SPECIAL FUND," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1605) recommending that S.B. No. 1228, SD 2, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1228, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1607) recommending that S.B. No. 118, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 118, SD 1, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition. Thank you, Mr. Speaker. On SB 118, SD 1, HD 2, I oppose this because I just simply prefer the regular Senate Bill 118. That would tax real estate investments trusts or rates, instead of asking for a study. I think both sides agree, looking through the testimony, that tax dollars leave the State of Hawaii because of the tax code that we have currently. But one side that opposes taxing REITs just simply says that we would lose substantial investment should we tax REITs.

"I contend that, because of our strategic location, that investment would continue to flow into our state. I think that our travel industry, grounded by our natural beauty, our spirit of *aloha*, would continue that investment. And not to mention that investing in Hawaii as a part of the United States grants the protection of a robust judicial system, which is not always the case in other foreign countries. I'd also contend that our state has many, many pressing needs, from early education to aging infrastructure. For those reasons, I oppose the measure as it is, because I prefer it as SB 118. 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. 118, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE INVESTMENT TRUSTS," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Ohno voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1609) recommending that S.B. No. 1050, SD 2, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1050, SD 2, HD 3 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1050, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1610) recommending that S.B. No. 1260, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1260, HD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1611) recommending that S.B. No. 826, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 826, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Third Reading by a vote of 51 ayes.

At 10:23 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:23 o'clock a.m.

At 10:23 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1158, SD 1, HD 1
S.B. No. 1228, SD 2, HD 3
S.B. No. 118, SD 1, HD 2
S.B. No. 1050, SD 2, HD 3
S.B. No. 1260, HD 1
S.B. No. 826, SD 1, HD 2

At 10:24 o'clock a.m., Representative Evans requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:24 o'clock a.m.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1612) recommending that S.B. No. 756, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 756, SD 1, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In opposition and a comment. I think owner financing, seller financing, is a useful tool for some people, especially in rural areas. And I think that it's good to regulate them, however I feel like the current draft is a little bit of an overregulation. In 2014 there were only 169 owner financiers that actually used real estate agencies to help them out to do this, and so it's a very small portion of people. And there are also federal laws that will exempt vacant lands and commercial lands from having to abide by this, and I feel like somewhere in between would be a good compromise. Thank you."

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

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

"Mr. Speaker, just a flag for conference. Reservations, please. I would like the comments of the speaker from West Oahu entered into the record as if they were my 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. 756, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Fukumoto Chang and McKelvey voting aye with reservations, and with Representative Tupola voting no.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1615) recommending that S.B. No. 379, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 379, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

"Mr. Speaker, I rise in strong support of this bill. Cottage industries are an important adjunct to farm production, and I commend the Representative from Lahaina for reshaping this bill to meet the issues of all the stakeholders and making it a stronger and more effective bill. It's not perfect, nothing is perfect, but I believe that going forward this will be effective and we can see if we have to come back and make some changes in the future that's fine. But for now I think it's an excellent attempt at a compromise. Thank you."

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

Representative Tsuji 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. 379, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FOOD," passed Third Reading by a vote of 51 ayes, with Representatives Jordan, Matsumoto, Onishi and Tsuji voting aye with reservations.

Representative McKelvey, for the Committee on Consumer Protection & Commerce, presented a report (Stand. Com. Rep. No. 1616) recommending that S.B. No. 754, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 754, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"With reservations. The problem I see with this bill as currently written is that it goes against all the other portions of that particular chapter which basically allows a time share consumer to have seven full days to cancel, because it uses the magic phrase that all time share sellers like to use to try to say 'gotcha' to all the consumers, of midnight on the 7th day. It actually reduces the amount of decision from seven days, which the Attorney General supported, to six days. Unless that is changed, then it becomes an anti-consumer protection bill. Thank you."

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

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

Representative Creagan rose in support of the measure with reservations and asked that the remarks of Representative San Buenaventura 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. 754, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING," passed Third Reading by a vote of 51 ayes, with Representatives Creagan, Keohokalole, Pouha and San Buenaventura voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1617) recommending that S.B. No. 423, SD 1, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 423, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Mr. Speaker, I continue to have reservations on this bill relating to appropriations to the Department of the Prosecuting Attorney of the City and County of Honolulu. Thank you. And, Mr. Speaker, it's because the prosecutor has not shown a real attention to the repeat property crime offenders that are plaguing many of our areas on Oahu. 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. 423, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS TO THE DEPARTMENT OF THE PROSECUTING ATTORNEY OF THE CITY AND COUNTY OF HONOLULU," passed Third Reading by a vote of 51 ayes, with Representative Thielen voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1618) recommending that S.B. No. 475, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 475, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OPEN GOVERNMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1619) recommending that S.B. No. 524, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 524, SD 2, HD 1, entitled: "A BILL FOR AN ACT MAKING A GRANT TO THE HAWAII COUNTY OFFICE OF THE PROSECUTING ATTORNEY," passed Third Reading by a vote of 51 ayes.

At 10:31 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 756, SD 1, HD 2
S.B. No. 379, SD 2, HD 2
S.B. No. 754, SD 2, HD 2
S.B. No. 423, SD 1, HD 1
S.B. No. 475, SD 1, HD 2
S.B. No. 524, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1620) recommending that S.B. No. 652, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 652, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC AGENCY MEETINGS," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1621) recommending that S.B. No. 1305, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1305, SD 1, HD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO THE COUNTY OF KAUAI OFFICE OF THE PROSECUTING ATTORNEY," passed Third Reading by a vote of 51 ayes.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1622) recommending that S.B. No. 17, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 17, HD 2, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE SELLER DISCLOSURE," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Choy, Har, Ichiyama, Jordan, Kong, Oshiro and Say voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1624) recommending that S.B. No. 871, SD 1, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 871, SD 1, HD 3, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1625) recommending that S.B. No. 382, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 382, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Ruling on a potential conflict of interest. I work for Hawaii Pacific University which stands to benefit from this legislation," and the Chair ruled, "no conflict."

Representative LoPresti continued to speak in support of the measure, stating:

"Thank you, Mr. Speaker, if I may offer some brief comments. I support this bill because it can reduce some local meat production costs by nearly 50%, which ensures fresh locally produced livestock feed and incentivizes local food production for local consumption. Thank you."

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

"Thank you, Mr. Speaker. Ruling on a potential conflict. My family has an egg farm," and the Chair ruled, "no conflict."

Representative Matsumoto continued to speak in support of the measure, stating:

"With strong support. Thank you."

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

"Mr. Speaker, in strong support with a request for written comments to be inserted. Thank you."

Representative Tsuji's written remarks are as follows:

"The HD 2 version of this bill supports Hawaii's agriculture in two ways. First, it addresses the high cost of import feed that burdens Hawaii's livestock industry. It funds a new grant program within the Department of Agriculture for qualified feed developers, and appropriates funds to reimburse specified qualified producers for the cost of feed, and qualified feed developers for the costs of developing feed for sale to qualified producers.

"Second, the HD 2 encourages the next generation to enter the agriculture industry. Funding for FFA and 4-H will promote possible career paths to students via hands-on education and workforce development in the agricultural sector."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 382, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1626) recommending that S.B. No. 113, SD 2, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 113, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE LOAN REPAYMENT PROGRAM," passed Third Reading by a vote of 51 ayes.

At 10:34 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 652, SD 1, HD 2
S.B. No. 1305, SD 1, HD 1
S.B. No. 17, HD 2
S.B. No. 871, SD 1, HD 3
S.B. No. 382, SD 2, HD 2
S.B. No. 113, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1627) recommending that S.B. No. 325, SD 1, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 325, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Fukumoto Chang and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1628) recommending that S.B. No. 387, SD 2, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 387, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO AFFIRMATIVE CONSENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1629) recommending that S.B. No. 1047, SD 1, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1047, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, just with reservations on this SPRB. 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. 1047, SD 1, HD 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PELATRON Q, LLC," passed Third Reading by a vote of 51 ayes, with Representative Thielen voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1630) recommending that S.B. No. 40, SD 3, HD 2 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 40, SD 3, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LICENSING," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1631) recommending that S.B. No. 1036, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1036, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1632) recommending that S.B. No. 768, SD 1, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 768, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, just with reservations. The length of time right now for triggering in vitro fertilization is five years, which seems excessively long, but the bill, the current draft, has one year, which seems short to me. And incidentally I wasn't the one who pulled this to the Floor. *Mahalo.*"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 768, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO IN VITRO FERTILIZATION INSURANCE COVERAGE," passed Third Reading by a vote of 48 ayes to 3 noes, with Representative Rhoads voting aye with reservations, and with Representatives McDermott, Tupola and Ward voting no.

At 10:37 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 325, SD 1, HD 2
S.B. No. 387, SD 2, HD 3
S.B. No. 1047, SD 1, HD 1
S.B. No. 40, SD 3, HD 2
S.B. No. 1036, SD 2, HD 1
S.B. No. 768, SD 1, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1633) recommending that S.B. No. 961, SD 2, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 961, SD 2, HD 3 pass Third Reading, seconded by Representative Evans.

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

Representative Fukumoto Chang 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. 961, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH TREATMENT," passed Third Reading by a vote of 51 ayes, with Representatives Fukumoto Chang and Jordan voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1634) recommending that S.B. No. 703, SD 1, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 703, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 703, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SOLID WASTE," passed Third Reading by a vote of 48 ayes to 3 noes, with Representative Thielen voting aye with reservations, and with Representatives McDermott, Rhoads and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1635) recommending that S.B. No. 878, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 878, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WASTEWATER," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1636) recommending that S.B. No. 1049, SD 1, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1049, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, with reservations. My reservations is that I don't know whether or not this goes against the federal constitutional law of impinging on interstate commerce. The other comment I have is that, especially on neighbor islands where the only way to really recycle products, recycle electronics, would be to mail it in rather than to turn it in. Then it becomes a problem with manufacturers, especially where the fines, it doesn't say it in this actual bill, but if you look at the chapter, any violation of that chapter means that there's a \$1,000 fine per violation.

"And because of that huge fine and the fact that we're talking about like Apple or Samsung where we have these iPhones and iPads that we need to recycle and the only way to recycle them from the neighbor islands is by mailing them, it would prevent or impinge the neighbor island people from getting iPhones and iPads. Thank you."

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

"Mr. Speaker, just in support. I just wanted to make clear that the entire intent of this bill is to prohibit manufacturers from using mail back only plans. So the point of the bill is specifically to protect neighbor island residents. I appreciate the comments from my colleague from the neighbor island, but I just wanted to point that out. 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. 1049, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC WASTE

RECYCLING," passed Third Reading by a vote of 51 ayes, with Representative San Buenaventura voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1637) recommending that S.B. No. 349, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 349, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, this is an ethanol tax credit that was originally put into statute in the year 2000, updated in 2004 and then 2007. It means to repeal this facility tax credit in place for a renewable fuel tax credit.

"In the years since we've put this on the books in 2000, ethanol has proved troublesome, it didn't take off. In fact, DBEDT mentioned that no firm has taken advantage of these ethanol facility tax credits. I think just as a body that I believe we should be wary of picking winners and losers in the private sector. And in the experience of trying to appease everyone in every situation, we may run into the problem of appeasing no one. So for those reasons, I stand in opposition. 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. 349, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 49 ayes to 2 noes, with Representative Jordan voting aye with reservations, and with Representatives Ohno and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1638) recommending that S.B. No. 359, SD 1, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 359, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD SECURITY TAX," passed Third Reading by a vote of 41 ayes to 10 noes, with Representatives Aquino, Cullen, Fukumoto Chang, Har, McDermott, Oshiro, Say, Tokioka, Tupola and Yamane voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1640) recommending that S.B. No. 1262, SD 1, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1262, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT," passed Third Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

At 10:44 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 961, SD 2, HD 3
S.B. No. 703, SD 1, HD 1
S.B. No. 878, SD 1, HD 1
S.B. No. 1049, SD 1, HD 1
S.B. No. 349, SD 2, HD 2
S.B. No. 359, SD 1, HD 1
S.B. No. 1262, SD 1, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1641) recommending that S.B. No. 1032, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1032, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

"Thank you, Mr. Speaker. Reservations, please, and a quick comment. I'm just concerned that it's expanding nicotine products as tobacco products, which I just think the specification between the two is necessary for this. Thank you."

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

"Mr. Speaker, Stand. Com. 1641, with reservations. Just a few words, if you don't mind. Although this measure doesn't become law until 2030 according to this particular draft, I do have a challenge with changing the definition for tobacco products. I do wholeheartedly support increasing the licensure of allowing individuals to sell tobacco products. When we look at our City and County of Honolulu next door to us, it's about \$1,000, about \$2,000 to get a liquor license. So these arbitrary \$50 or \$2.50 is quite small compared to that alcohol sin.

"So, hopefully as we move into conference we will clean up that language on the tobacco product. I know this is trying to focus on those electronic devices, the smoking devices, but I don't think this is a way to go at taxing that particular product at this point in time, Mr. Speaker. Thank you very much."

Representative Keohokalole 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, reservations, brief comment. Mr. Speaker, I share the remarks of previous speakers and I think the overreach to sort of jettison this thing at a standard as tobacco I think is a bit extreme. I should also note that the good doctor from the Big Island reminded me in a discussion after a session that this language where it says, any product containing nicotine, no matter how you do it, you shoot it, you drink it, you whatever.

"Mr. Speaker, we are reminded that when you eat French fries, when you eat potatoes, you're taking in nicotine. When you eat tomatoes, you're taking in nicotine. So this is a little bit of an over, anything containing nicotine we're going to have to bump all of those things up. So I think if we're going to do it, let's do it well. Let's not be loosey goosey with language when we say nicotine across the board is out and illegal. Thank you, Mr. Speaker."

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

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

"Mr. Speaker, with reservations. I'd also like to note two things. One, as a prior speaker has pointed out, there may be a problem with enforcement, especially when vaping products may include liquids that do not contain nicotine. And one more thing I'd like to point out is that the FDA in June of this year is going to issue regulations and studies as to whether or not vaping is as hazardous as some people claim it is. And as such, I would request that we hold off until the FDA issues its reports, because they are going to come up with regulations and this may be counter to that. Other than that, it's with reservations. Thank you."

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

"Mr. Speaker, I rise with reservations on this bill, and I thank the speaker from Hawaii Kai for pointing out some of the things that we had discussed. As he pointed and as I pointed out to him, many plants including tomatoes, eggplants, potatoes and peppers contain nicotine, and that is why all people have nicotine in their urine. It's not because of second hand smoke necessarily.

"The problem is, I've looked into nicotine and nicotine in isolation, and shared articles about that, and I would like to enter some written comments into the Journal. But just briefly, if you start taxing nicotine solutions as tobacco, you will be shifting people back to cigarettes, and so you'll have the unintended consequence of causing more, not less cancer. When we had prohibition, what we had was we shifted people from people into hard liquor, and that has been a consequence that has damaged the people of our country for a long time because it never went back.

"So we have to be very careful about unintended consequences when we make regulations like this. So I would propose stripping the language about the nicotine until the FDA comes out with their thing so we can revisit it next year. Thank you, Mr. Speaker."

Representative Creagan's written remarks are as follows:

"There are currently several tobacco bills in play and going to conference. I would like to share my concerns about these bills. I have no major problems with limiting the sale of nicotine delivery devices (NiDDs), e.g. e-cigarettes, to minors, as their effects have not been tested on minors. In recognition of the developing brain's sensitivity to many substances, it may seem prudent to be cautious. However, given the safety of the existing nicotine delivery devices such as nicotine gum that are deemed so safe that they are now sold over the counter, and given the expected ruling from the FDA, I believe we could await that decision before taking actions on NiDDs.

"I think we will almost certainly have unintended consequences if we tax nicotine delivery devices as tobacco products.

"I am attaching an article that surprised me when I first read it, but what it states is borne out by other research. It appears that nicotine in its pure form seems very safe, almost non-addictive, and potentially beneficial. The current version of SB 1032 would actually classify tomatoes, tomato products such as ketchup, bell peppers, potatoes, and eggplant as 'tobacco products,' as they contain nicotine and are ingested.

"In SB 1032, 'Tobacco products' means:

(2) Any product containing nicotine, but not containing tobacco, that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, and that has not been approved by the United States Food and Drug Administration for tobacco cessation or other medical purposes.

"Thus, when your kid eats French fries with ketchup at McDonalds, she is ingesting two 'tobacco products', both containing nicotine, and McDonalds would be classified as a tobacco retailer.

"I think that there is no question that an 'e-cigarette' is much safer than a cigarette, and that nicotine in isolation will not cause cancer, as borne out by the approval of nicotine gum, inhalers, etc. However, if we shift the cost of e-cigarettes by taxing them heavily, as proposed in a related bill HB 145, HD 1, SD 2, we would almost certainly have the unintended consequence of making cigarettes relatively more attractive economically, and that is not at all a desired consequence as it could increase the smoking of the much more harmful cigarettes.

"I would have no objection to the FDA regulating e-cigarettes as a tobacco cessation device as there is substantial evidence that that is the case, but unfortunately the FDA has been dragging their feet on this.

"Given the existing evidence of the potential benefit as a smoking cessation device, I think we would be premature to tax these as a tobacco

product and almost certainly cause increased use of cigarettes, and therefore more, not less cancer."

Representative Creagan also submitted the following *Discover Magazine* article:

"FROM THE MARCH 2014 ISSUE

Nicotine, the Wonder Drug?

This notorious stimulant may enhance learning and help treat Parkinson's, schizophrenia and other neurological disorders.

By Dan Hurley | Wednesday, February 05, 2014

RELATED TAGS: VACCINES & DRUGS, DRUGS & ADDICTION, PERSONAL HEALTH



Nicotine delivery devices like the patch could offer surprising benefits to people diagnosed with certain neurological disorders.

Cristina Pedrazzini/Science Photo Library

Every drug of addiction must have its day. Morphine remains one of the most potent painkillers ever discovered. Cocaine's chemical cousin lidocaine is still used by physicians and dentists as an effective local anesthetic. Even demon alcohol, when taken in moderation, cuts the risk of heart attacks, osteoporosis, rheumatoid arthritis and a hodgepodge of other ailments.

Now comes nicotine, perhaps the most unlikely wonder drug ever to be revealed.

If dozens of human and animal studies published over the past six years are borne out by large clinical trials, nicotine — freed at last of its noxious host, tobacco, and delivered instead by chewing gum or transdermal patch — may prove to be a weirdly, improbably effective drug for relieving or preventing a variety of neurological disorders, including Parkinson's disease, mild cognitive impairment (MCI), Tourette's and schizophrenia. It might even improve attention and focus enough to qualify as a cognitive enhancer. And, oh yeah, it's long been associated with weight loss, with few known safety risks. (Although, in truth, few safety studies of the increasingly popular e-cigarettes have yet been published.)

Nicotine? Yes, nicotine.

In fact, the one purpose for which nicotine has proven futile is the very same one for which it's approved by the Food and Drug Administration, sold by pharmacies over the counter, bought by consumers and covered by many state Medicaid programs: quitting smoking. In January 2012, a six-year follow-up study of 787 adults who had recently quit smoking found that those who used nicotine replacement therapy in the form of a patch, gum, inhaler or nasal spray had the same long-term relapse rate as those who did not use the products. Heavy smokers who tried to quit without the benefit of counseling were actually twice as likely to relapse if they used a nicotine replacement product.

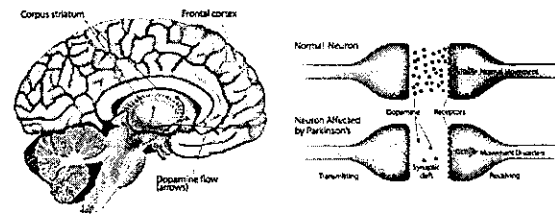
And therein lies the conundrum that physicians and regulators will have to wrestle with if the promising studies about nicotine's benefits hold up: how to endorse a drug linked to one of the greatest public health scourges the world has ever known.

"I understand that smoking is bad," says neuroscientist Maryka Quik, program director of the Neurodegenerative Diseases Program at SRI International, a nonprofit research institute based in California's Silicon Valley. "My father died of lung cancer. I totally get it."

Yet over the years, she has published dozens of studies revealing the beneficial actions of nicotine within the mammalian brain. "The whole problem with nicotine is that it happens to be found in cigarettes," she says. "People can't disassociate the two in their minds."

Tweaking the Brain

The first hint of nicotine's curious benefits came from a study published in 1966 by Harold Kahn, an epidemiologist at the National Institutes of Health. Using health insurance data on 293,658 veterans who had served in the U.S. military between 1917 and 1940, Kahn found the kinds of associations between smoking and mortality that had already become well known. At any given age, cigarette smokers were 11 times as likely to have died of lung cancer as nonsmokers, and 12 times as likely to have died of emphysema. Cancers of the mouth, pharynx, esophagus, larynx — on and on. But amid the lineup of usual suspects, one oddball jumped out: Death due to Parkinson's disease occurred at least three times as often in nonsmokers as in smokers.



The neurotransmitter dopamine sends signals related to pleasure, reward and motor function across neurons in the brain. A lack of dopamine has been linked to movement disorders such as Parkinson's disease.

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Following up, researchers expected the finding to be just a statistical aberration in Kahn's data, but instead quickly confirmed it. Grasping at a final possible alternative to the inconvenient notion that smoking could have a healthful benefit, experts theorized that the association was due only to smokers dying young of cancer, heart disease and lung disease before the age when they might otherwise have developed Parkinson's. (The neurodegenerative disorder affects about 1 percent of people by age 60, rising to about 4 percent by age 80.) But in 1971, epidemiologists Irving Kessler and Earl Diamond of Johns Hopkins University published a study comparing the smoking history of living Baltimore residents recently diagnosed with Parkinson's with age-matched controls. Sure enough, they found that the Parkinson's patients were much less likely than other residents to have ever smoked.

So what was it about tobacco that ravaged the heart, lungs, teeth and skin but somehow guarded against a disease of the brain? In 1979, UCLA neurobiologist Marie-Françoise Chesselet showed that nicotine increases levels of dopamine, a neurotransmitter essential for boosting attention, reward-seeking behaviors and risk of addictions, from gambling to drugs. Dopamine also helps control movement. Nicotine receptors in the striatum, the comma-shaped structure near the center of the brain where movements are planned and controlled, are located near the terminals that regulate and emit dopamine. Even a small dose of nicotine, Chesselet found, stimulates the release of dopamine in the striatum, putting the brakes on movement that otherwise would go uncontrolled.

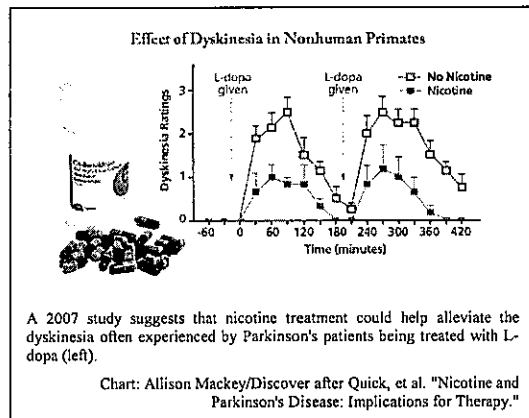
And that effect suggests why nicotine could help treat Parkinson's disease. Called "the shaking palsy" in an 1817 essay by the English physician James Parkinson (after whom the disease was later renamed), Parkinson's is marked by shaking and difficulty with walking, coordination and all other movements. Although its ultimate cause remains unexplained, neuroscientists have long known that as symptoms

worsen, dopamine-producing neurons in the striatum die out. Since the 1960s, the gold-standard treatment for the disease has been the drug levodopa, also known as L-dopa, a dopamine precursor that can cross the blood-brain barrier. But the drug is not perfect: L-dopa treatment eventually induces dyskinesia — quick, involuntary movements of the hands, and sometimes of the head and trunk.

Putting together the emerging lines of evidence, Quirk decided to treat Parkinson's disease in squirrel monkeys by administering nicotine. In a landmark 2007 paper, she reported that the monkeys had 50 percent fewer tremors and tics, and that nicotine had reduced dyskinesia 35 percent in those already receiving L-dopa. Studies by Quirk and others involving rats, mice and nonhuman primates have since found similar effects. In short, by driving dopamine, nicotine appeared to ease the tremors and tics caused by Parkinson's, and even the movement disorder induced by the major Parkinson's drug.

Waiting for Human Evidence

Given the findings, one might reasonably ask how many clinical trials of ordinary over-the-counter nicotine patches or gum as a preventative for the progression of Parkinson's have been published in the medical literature. "In humans, none," says neurologist James Boyd of the University of Vermont College of Medicine. That will change soon. Boyd is now running two such studies. The first, begun in 2010, is a small, randomized 12-week trial of whether a nicotine patch can reduce another problem often associated with Parkinson's: impulsivity.



Remember, Parkinson's involves a loss of dopamine, a neurotransmitter that regulates not only movement but also addictive behaviors. It has long been observed that people who develop Parkinson's tend to be more low-key and risk-averse than average, as if their innate dopamine levels have always been on the low side. When they take L-dopa, however, some have been known to swing to the other side of the reward-seeking spectrum, developing gambling or sexual addictions. Boyd hopes nicotine might push such patients back to a middle ground.

He is also the principal U.S. investigator for a randomized trial that began late last year in Germany and is now being conducted here to test the value of nicotine as a therapeutic drug. The study seeks to answer whether ordinary over-the-counter nicotine gum or patches can halt the progression of Parkinson's. To get at the answer, one component the study will look at is whether the chemical can relieve the writhing, twisting movements that eventually beset almost every Parkinson's patient taking L-dopa.

Beyond Parkinson's

While researchers await the results of the Parkinson's studies, they look beyond to nicotine treatments for other disorders as well.

"Nicotine has separate mechanisms by which it may protect brain cells, aside from its influence on dopamine," Boyd says. "One of the functions of nicotinic receptors is to moderate the entry of calcium into cells. The presence of nicotine increases the amount of intracellular calcium, which appears to improve cellular survival."

And nicotine may have an antioxidant effect, serving to mop up the toxic free radicals produced as a byproduct of metabolism, thus protecting the brain. The neuroprotective effects of nicotine were studied in a

randomized clinical trial involving 67 subjects in the early stages of Alzheimer's disease, where memory was slightly impaired but decision-making and other cognitive abilities remained intact. They received either a 15-milligram nicotine patch or placebo for six months. The results found "significant nicotine-associated improvements in attention, memory and psychomotor speed," with excellent safety and tolerability.

Other studies suggest that nicotine may be as effective at enhancing attention as methylphenidate (Ritalin) and the wakefulness-promoting drug modafinil (Provigil). In 2008, Paul Newhouse, director of the Center for Cognitive Medicine at Vanderbilt University School of Medicine in Nashville, compared performance on a series of cognitive tasks in 15 nonsmoking ADHD patients while wearing either a 7-mg nicotine patch or a placebo patch. After just 45 minutes with the nicotine patch, the young adults were significantly better at inhibiting an impulse, delaying a reward and remembering an image they had seen.

Even people without any diagnosed disorder might benefit from nicotine. Psychologist Jennifer Rusted of the University of Sussex in Britain calls the drug "the most reliable cognitive enhancer that we currently have." In addition to improving visual attention and working memory, nicotine has been shown by Rusted to increase prospective memory: the ability to remember and implement a prior intention. (When your mother asks you to pick up a jar of pickles at the grocery store on the way home, she's saddling you with a prospective memory challenge.)

"It's a small effect, maybe a 15 percent improvement," Rusted says. "It's not something that's going to have a massive impact in a healthy young individual. But we think it's doing it by allowing you to redeploy your attention more rapidly." In short, the drug seems to work by helping users shut out irrelevant stimuli so that important information can come to the fore.

The ability to shut out stimuli could also turn nicotine into a treatment for schizophrenia, where afflicted individuals are overwhelmed by sights, sounds and thoughts that most of us would either ignore or quickly dismiss. Studies in the United States, Canada and Germany have shown that nicotine improves the ability of people with schizophrenia to focus their attention and recall recent events. In addition, the potent antipsychotic haloperidol often causes dyskinesia, which Quirk's 2007 study proved nicotine can relieve.

Not the Great Satan

Perhaps most surprising is that, in studies by Boyd and others, nicotine has not caused addiction or withdrawal when used to treat disease. These findings fly in the face of nicotine's reputation as one of the most addictive substances known, but it's a reputation built on myth. Tobacco may well be as addictive as heroin, as some have claimed. But as scientists know, getting mice or other animals hooked on nicotine alone is dauntingly difficult. As a 2007 paper in the journal *Neuropharmacology* put it: "Tobacco use has one of the highest rates of addiction of any abused drug." Paradoxically it's almost impossible to get laboratory animals hooked on pure nicotine, though it has a mildly pleasant effect.

The same study found that tobacco smoke itself is necessary to amp up nicotine's addictiveness. In 2005, for instance, researchers at the University of California, Irvine, found that animals self-administer a combination of nicotine and acetaldehyde, an organic chemical found in tobacco, significantly more often than either chemical alone. In 2009, a French team found that combining nicotine with a cocktail of five other chemicals found in tobacco — anabasine, nornicotine, anatabine, cotinine and myosmine — significantly increased rats' hyperactivity and self-administration of the mix compared with nicotine alone.

In short, the estimated 45.3 million people, or 19.3 percent of all adults, in the United States who still smoke are not nicotine fiends. They're nicotine-anabasine-nornicotine-anatabine-cotinine-myosmine-acetaldehyde-and-who-knows-what-else fiends. It is tobacco, with its thousands of chemical constituents, that rightly merits our fear and loathing as the Great Satan of addictiveness. Nicotine, alone: not so much.

Despite the potential benefits and apparent safety, researchers like Boyd want more evidence before they'll recommend a nicotine patch for anything other than its FDA-approved (but seemingly useless) purpose,

smoking cessation. "Nicotine has potential drug interactions. It can interfere with blood pressure medications. To recommend something for which there is no good long-term safety data — it's just wrong," Boyd says.

To Quik, the upside is clear. "People have tested all their favorites to help treat Parkinson's and other neurological disease," she says. "Now nicotine's time has come."

[This article originally appeared in print as "The Nicotine Fix."]

Representative DeCoite 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. 1032, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 245, HAWAII REVISED STATUTES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Creagan, DeCoite, Jordan, Kawakami, Keohokalole, Pouha, San Buenaventura, Tupola and Ward voting aye with reservations, and with Representatives Kong and McDermott voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1643) recommending that S.B. No. 1094, SD 2, HD 1 pass Third Reading.

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1094, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives McDermott and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1644) recommending that S.B. No. 737, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 737, SD 1, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, with reservations. I was thinking about this last night and thinking about why I've never needed to use a payday loan thankfully, and the reason is credit cards. If I have a cash flow problem at the end of a month, I just charge some stuff for a while and worry about the consequences later. But for a credit card, HRS 478-11.5 caps credit card interest rates at an APR of 18%, and that includes the fees and other charges.

"Payday loans, however, are excluded from Hawaii usury laws. Interest rates, depending on the length of the loan, can exceed 400% compared to the 18% that I would pay as a credit card holder. If someone were to introduce a bill that proposed to allow credit cards to charge 400% interest, I doubt seriously that the bill would ever get a hearing.

"But for some reason when it comes to allowing payday lenders, whose clientele are frequently those working at a minimum wage, we continue to allow them to charge these just outrageous rates. The current draft of this bill does not change that fundamental dynamic, and as a consequence for now at least I'll be voting with reservations. *Mahalo.*"

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

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

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

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

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

"Chair, reservations with a brief comment. In the beginning, this bill was a little more, let's say it was reworded with specific caps. There was a 459% interest that was calculated as when one comes in and gets a \$100 loan they pay \$17.50. Under the proposal to put it down to the cap at 36% that would be \$1.38 that people would get as their fee every two weeks. They would pay every two weeks \$1.38.

"Mr. Speaker, I don't think a small business can do that, so what we've got here is a compromise to keep the payday loans, which for some people who don't have credit cards can have access to. Mr. Speaker, my fear is if we shut these guys down and run them out of town, it's going to go back to the old loan sharks who break knee caps and knuckles if you don't pay on time. This is a little bit more genteel than those. So, Mr. Speaker, I think we should tread on this lightly and slowly. Thank you."

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

"Thank you, Mr. Speaker. With reservations and just for the same reason that I prefer the earlier version of the bill that included a cap on APR."

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

"Thank you, Mr. Speaker. Strong reservations. May I request to enter comments into the Journal? Thank you."

Representative Tokioka's written remarks are as follows:

"While I do support the intent of this bill and commend the introducers and proponents in their efforts to help the cyclically impoverished in overcoming the difficulties of being in a debt cycle, there are already a number of community resources available which do not require legislation. There are three items that I would like to elaborate on.

"First, the utilization of existing institutions and programs within our communities. Many credit unions, for example, have long been a part of Hawaii's financial community and offer free membership — oftentimes with no account minimum balance, check cashing benefits, and low interest short- and long-term loans. These are non-profit institutions whose main function is to service their members, not to maximize corporate profits.

"The second element is education. Financial institutions such as credit unions, governmental organizations, and institutions such as the University of Hawai'i and the Department of Commerce and Consumer Affairs, as well as many other locally based financial education non-profits, offer a variety of free programs and educational seminars statewide. These programs are specifically geared towards educating individuals on managing their finances effectively and can help to guide individuals out of a debt cycle.

"Lastly, in conjunction with the second point, is advocacy and awareness. It is our responsibility as a community to help our families and friends who are struggling with debt and who are caught in a debt cycle. Spreading awareness for free programs and free membership to financial institutions is a necessary first step in stopping the debt cycle, creating financial stability, and attaining a better quality of life.

"Undoubtedly, it is vital to combat predatory lending with legislation and regulation. It is however equally important to educate individuals about the full breadth of their available resources so they do not fall into cyclical poverty in the first place."

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

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

"With reservations. I echo the Judiciary Chair's comments. I'd also like to point out that there are several states that have completely banned payday loans, and in those states the poor, the working poor, have been able to do well. As focused in the Office of Consumer Protection and Catholic Charities when they testified on this loans pointed out, when those payday loan places have been shut down, the people are able to find other means within their budget to do that. They are not left to the loan sharks. What they do is they find pawn shops and other places that are regulated that is less than the 425% or 452%. And as such, because it does not have a cap, I am voting with reservations. Thank you."

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

"Mr. Speaker, note my strong reservations. Thank you. I certainly echo the concerns expressed by the Judiciary Chair, so I'll do so in my own words. Check cashing payday loans are known to target military families. They are known to target working families and women. They should all be of concern for us. The only reason I support the bill with reservations is because we must push for stronger regulations that allow our consumers to escape the cycle of micro lending debts and provide regulations that allow consumers to make educated decisions regarding payday loans."

"My chief concerns are two-fold, which others have noted, the blanked out percentage and the fact that there is no cap. I believe Mr. Speaker, it is beyond any reasonable doubt that maintaining something near a 450% APR is morally reprehensible. This bill hopefully seeks to reduce that, but if it does not come down to anything close to the 36% I can't imagine supporting it in good conscience. As was previously noted, credit cards are capped at 18%. Not doing that will perpetuate the cycle of economic injustice in this state."

"One of the great philosophers, Hannah Arendt, had come to a conclusion about certain things in this world and governments, and she came up with a concept of the banality of evil, Mr. Speaker, and I believe these kinds of usurious rates are specifically the kinds of banality of evil that we must fight against and we must outlaw. Thank you."

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

"Reservations, Mr. Speaker. I do note the concerns which have been raised on the other side as well. Those who are doing business in this effort, they are also fronting a lot of the risk. But I do agree that we do need to exercise better prudence in making sure that our fellow citizens have access to a means of responsible finance. Thank you."

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

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

"Thank you, Mr. Speaker. In support, Mr. Speaker. This was a long, lengthy discussion in the Finance Committee, and I think I saw a different world with this particular measure. You see, Mr. Speaker, unlike this, we have these things called 7-Elevens or convenience stores. At one point in time when I was growing up I didn't even know what that was until about 1980 when a 7-Eleven came to my community. And now we've got about 18 7-Elevens, Circle Ks, whatever you want to call them, convenience stores. And they do, they prey upon the most neediest, Mr. Speaker, with the highest cost."

"Some like this industry, check cashing. Again, about eight years ago I noticed a check cashing business came into my community. Probably have about four of them, five of them, or six of them within our communities, again. And we can say that they may be targeting the most neediest. But I don't think we can regulate against that."

"The one person that convinced me was the young woman that testified in Finance and said, please don't take this opportunity away from me. I

need that because I need to get a doctor's visit or a medication for my child. And she turned my head on this. And she told me that she reads every document, understands, does her research, in fact goes to different check cashing places to find the one that she is very comfortable with, and does this on a regular basis."

"Now we heard the other stories where individuals who have five different loans out there and paying up to \$700 a month in fees, well according to some of the testimony, you're not supposed to have more than one. This industry is not supposed to allow you to have more than one outstanding check. So, I think I appreciate the amendments to this measure, and I think we should be helping our constituents and our communities out there by enforcing the regulations on it. Making them register with DCCA, increasing the fines, really tighten up this industry so the most neediest who need to use it get the protection they need."

"Because we all know we can get in and sign a credit card and not read the disclosures. Many people sign mortgages and don't read the disclosures. Same thing. They're in need, they need money on their check, in advance, to do what they need to do. Unfortunately we have predators out there, and our regulatory system should take care of those predators. 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. 737, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHECK CASHING," passed Third Reading by a vote of 51 ayes, with Representatives DeCoite, Har, Kawakami, Keohokalole, LoPresti, Lowen, Matsumoto, Oshiro, Pouha, Rhoads, San Buenaventura, Tokioka and Ward voting aye with reservations.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1645) recommending that S.B. No. 1042, SD 1, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1042, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, Standing Committee Report 1645, the SPRB for Sunstrong LLC. Thank you, Mr. Speaker. I'm speaking against the measure. Thank you. Mr. Speaker, Sunstrong is a new company but with the same old players, and it recently filed, just recently, for a business license. The principals were part of a wind farm on the Big Island that was abandoned when the tax credits ran out, and it was never financially sound. So this present SPRB for Sunstrong LLC doesn't even list a possible project. It's a \$50 million blank check, to whom and for what? 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. 1042, SD 1, HD 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR SUNSTRONG LLC, A RENEWABLE ENERGY DEVELOPER SERVING THE GENERAL PUBLIC IN PROVIDING ELECTRIC ENERGY," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Thielen and Tupola voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1646) recommending that S.B. No. 1214, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1214, HD 1 pass Third Reading, seconded by Representative Evans.

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

"This is a very strong no, Mr. Speaker, on the SPRB for Hawaiian Electric. Mr. Speaker, I think that all the Members in the Body have seen

these glossy full page ads where NextEra is going to buy Hawaiian Electric. They're touting it as a partnership, but I've never heard of a partnership where the one partner is totally bought out and the other partner controls everything. So we know it's a sale. It's a purchase.

"And so you have Hawaiian Electric coming in saying, we need to take this money, this SPRB for this amount of money. It started out at \$800 million, it's now down a few million a little bit lower. But when you look at the economic credibility of NextEra, the Florida company can finance \$8.4 billion of capital investment that Hawaiian Electric needs. I'm not promoting that sale, but I'm just saying, the company that is buying Hawaiian Electric has \$8.4 billion to put toward what Hawaiian Electric needs.

"And then when you look at NextEra's own 2014 fourth quarter and full year financial results, it states, NextEra is a leading clean energy company with consolidated revenues of approximately \$17 billion. So why are we allowing a SPRB to Hawaiian Electric that's being bought by NextEra when NextEra has this type of financial backing?

"And then I do want to just mention, Mr. Speaker, with the monolithic monopoly of NextEra, I think we will see the end of our photovoltaic and solar industry in Hawaii that has been such a strong partner, economic developer for tax revenues and for renewable energy in our state. But I really oppose this SPRB. It's for a company that won't even exist, that will be taken over by a monolithic monopoly with billions and billions of dollars on its books that it will be able to spend. Thank you."

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

"Thank you, Mr. Speaker. Mr. Speaker, ruling on a potential conflict. I am a shareholder in Hawaiian Electric, and seeing as this SPRB is for Hawaiian Electric."

The Chair addressed Representative Jordan, stating:

"No conflict, and for all future Hawaiian Electric bills there's no conflict."

Representative Jordan continued, stating:

"No, I'm just worried about this particular one. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. Likewise, I need to disclose a potential conflict of interest. I'm a shareholder with Hawaiian Electric."

The Chair addressed Representative Oshiro, stating:

"No conflict. And may I say that all future bills on Hawaiian Electric will also be no conflict for you."

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

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

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

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

"Thank you. Just very briefly, in support. I just want to point out the intent of this special purpose revenue bond is not to look to the long term to benefit NextEra or a potential successor to Hawaiian Electric Company. There's been a request from the company for a five year SPRB for \$800 million. I think judiciously, the committees through which this SPRB has passed has reduced that to match the time frame for which there is certainty that Hawaiian Electric will remain the utility.

"So the intent is to benefit the existing utility and its ratepayers, all of us who pay those bills and all of our constituents in the short term. And if there's a takeover and if the next utility wants to come in and ask for more assistance, they'll have to justify that in the future.

"Secondly, I'd just like to point that the importance of this particular measure right now rests not with the amount of money that we're placing in the hands of the utility or the assurances of that money, but rather the transparency which it will bring to the ratepayers around the State. For the first time this will allow and require the utilities in receipt of this benefit to open up their books to the public, so that on every electric bill you will see, and all ratepayers will see, how much the utility is spending for the cost of fuel, how much it's spending for transmission, how much it's spending for advertising and all the other services it provides. And this will allow, for the first time, us as policy makers to decide what it is that we want to do and what it is we want the utility to do, being able to for the very first time transparently see how they're spending all of our money. Thank you very much, Mr. Speaker."

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

"Mr. Speaker. Ruling on a potential conflict? I'm a ratepayer of Maui Electric Company," and the Chair ruled, "no conflict."

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

"Thank you very much. I also support this measure. I'd like to adopt the words of the previous chair if I may, and just a brief comment. We want rooftop solar. We hear the call for rooftop solar. We know the issue with the grids being full over the substations and needed infrastructure repair. I hope that whatever concerns on this measure can be ironed out, but I hope we look to the fact that this will provide the ability to get more rooftop solar now for the people who've been on the waiting list, potentially. 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. 1214, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST HAWAIIAN ELECTRIC COMPANY, INC., MAUI ELECTRIC COMPANY, LIMITED, AND HAWAII ELECTRIC LIGHT COMPANY, INC.," passed Third Reading by a vote of 48 ayes to 3 noes, with Representative Say voting aye with reservations, and with Representatives Thielen, Tupola and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1647) recommending that S.B. No. 979, SD 2, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 979, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I'd like to have my comments from Second Reading inserted, and I'm going to cast a no vote, please," 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. 979, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Fukumoto Chang, Kong, Matsumoto, McDermott, Pouha, Tupola and Ward voting no.

At 11:11 o'clock a.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1032, SD 2, HD 2
S.B. No. 1094, SD 2, HD 1

S.B. No. 737, SD 1, HD 2
 S.B. No. 1042, SD 1, HD 1
 S.B. No. 1214, HD 1
 S.B. No. 979, SD 2, HD 1

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1648) recommending that S.B. No. 892, SD 2, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 892, SD 2, HD 3 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In support. Thank you, Mr. Speaker. This measure aims to support the broadband initiative and our Pacific cable that brings Internet to our islands. For those folks who are listening and listening and watching 'Olelo, they may not know but we get our Internet here in the State of Hawaii through an actual cable that travels under the water to our islands from the mainland. For many businesses today and many, many more businesses in the future, they rely on broadband and fast Internet for cloud services. Services that they do their accounting, operations or sales from, and I think that encouraging this type of investment is a good thing for many of our residents, many of our states. And for that reason, Mr. Speaker, I'm going to dub this bill the middle class job creator bill number one. Thank you, Mr. Speaker."

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

"I rise in support of the middle class job creator bill. I'd like to adopt the words of my fellow colleague in glasses. Thank you."

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

"Just in strong support and would like the words of my bespectacled colleague from Oahu over here entered into the record as if they were my own. And let's just say that Mr. Speaker, I hope we've addressed the concerns that were raised on the terminology by the latest draft of the measure, and want to thank the Finance Chair for working with us on it. 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. 892, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO OMNIBUS HAWAII RESILIENCE AND SUSTAINABILITY STRATEGY," passed Third Reading by a vote of 51 ayes.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1649) recommending that S.B. No. 1155, SD 2, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1155, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, thank you. With reservations. I support the funding of the Hawaii Film Office without the transfer to the Hawaii Tourism Authority. So, just to look at that, see if it's the best fit for them. Thank you."

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

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

Representative Keohokalole 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. 1155, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE CREATIVE MEDIA INDUSTRY," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Keohokalole, LoPresti, San Buenaventura and Tupola voting aye with reservations, and with Representatives Choy, Kong, McKelvey, Rhoads, Say and Thielen voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1650) recommending that S.B. No. 1101, SD 1, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1101, SD 1, HD 3 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations, Mr. Speaker. Thank you. The Hawaii Public Housing Authority came before us several years ago asking for this particular exemption for three years, to bring down about 600-plus units within our public housing so we can get individuals moved into those particular units. We've done such a great job, Mr. Speaker, but at this point in time they still need to do another 150 units. I see in this particular measure it's down to two years, or maybe that might be blanked out by this time.

"But at this point in time I think we should just finish those 150 units and be done with this particular exemption and move all those individuals over to civil service. They've done a great job, but I think we should move forward with how we can bring more affordable units within our state inventory through the Hawaii Public Housing Authority and HHFDC. Thank you, Mr. Speaker."

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

Representative Johanson's written remarks are as follows:

"Thank you for the opportunity to comment on SB 1101, SD 1, HD 3, a measure that extends the availability of the exemption from state civil service for persons hired or contracted by the Hawaii Public Housing Authority to repair and maintain vacant housing units. I rise in support with reservations.

"While I wish to honor the work that is being performed, I have concerns over the time period of the continued civil service exemption granted by this bill. The previous public housing unit conversion rate suggests less time for exempt positions is warranted. Therefore, I will be voting in support of this measure with reservations."

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

"Mr. Speaker, with reservations and a few comments. First, I'd like to have the Representative from Waianae's words added as my own. I'd also like to add that in the testimony they said that they have an ongoing issue with units as they become vacant needing to be refurbished or fixed up. And because of that issue, I think that team approach that they developed works really well, but I also see this being an ongoing issue moving forward. And to have this exemption from civil service I think is not the right way to go about doing that. I think that these employees or this team concept should maybe be looked at as being made permanent as part of the staffing. That is my greatest concern. I think they should be looking at a shift in how they're doing stuff and look at making these employees permanent. Thank you."

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

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

"Thank you, Mr. Speaker. With reservations. I support the Public Housing Authority, but I just have concerns that we should review all the different civil service exemptions that we're doing in various areas to make sure that there's long term thought that goes into why these exemptions should be and if it needs to become permanent. Thank you."

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

"Thank you, Mr. Speaker. With reservations, for the same reasons as the Representative from the Big Island. Thank you."

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

"Mr. Speaker, with reservations for all the reasons stated by the previous speakers. Most of what they said is correct, so I'm voting with reservation. Thank you."

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

"Thank you. With Romy, please, Mr. Speaker."

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

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

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

Representative Tokioka rose in opposition to the measure and asked that the remarks of Representatives Onishi and Jordan be entered into the Journal as his 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 DeCoite rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Har rose in opposition to the measure and asked that the remarks of Representatives Jordan and Onishi 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. 1101, SD 1, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Aquino, Cachola, Cullen, DeCoite, Fukumoto Chang, Johanson, Jordan, Kawakami, Lowen, Matsumoto, McKelvey, Morikawa, Onishi, Pouha, Tupola and Yamane voting aye with reservations, and with Representatives Choy, Har, LoPresti, McDermott, Oshiro, Rhoads and Tokioka voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1651) recommending that S.B. No. 1280, SD 2, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1280, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"In opposition. I believe that I'm most likely the only regular rider of any ride sharing company here in Hawaii among my colleagues. As a neighbor island legislator I use public transportation, The Bus. When it's not convenient, if I'm running late I've got to hail a cab. I don't do that anymore. Instead I use Uber or Lyft, and the reasons why I made the switch are typical for ride sharing customers. The prices were competitive, often better, the cars were cleaner, the drivers were friendlier, and the routes were always the most direct. So, yes, I have a lot of skin in the game for this bill. Maybe not as much as another one of my colleagues, though.

"So how is this higher level of service achieved with less regulations and licensure requirements than taxis? Well the answer is a simple five point, two way driver to passenger rating system. No red tape, just humans holding other humans accountable. Upon signaling for an Uber with a few taps of your phone, passengers are given the driver's name, the photo, the customer rating, the car model, and contact information. Passengers know what to expect, drivers have a direct incentive to be friendly, clean their cars, and not cheat customers, because if their average rating falls too low they risk being fired. If you try to drive around in circles, your route is mapped on the app, and if you complain to Uber, which I've done before, they'll reimburse you. Passengers are deterred from misbehaving because drivers are able to refuse service to passengers with lower ratings.

"The same reservations that were raised for this bill, we've just seen over the last couple of years for Internet bed and breakfast companies like Airbnb. Reservations were about if we let someone into their house, where's the accountability, there's going to be people getting murdered and this and that. But actually, that hasn't been the case. Of course, once in a while there's those anomalous situations, but the rates of these things aren't any more drastic than the regulated side. There's no more violence in Uber than there is in cabs.

"Of course, the goals of safety and fairness raised by ride sharing critics, namely the taxi industry, are noble pursuits, but the critics' characterization of the industry and proposed approach completely miss the mark. Rather than imposing top-down regulations on a modernized version of an industry in order to create parity with taxis, the focus should be on facilitating the taxi's industries adaption of modern, more effective, peer-to-peer regulation. We often regulate with the mantra of, if can, can. *I na hiki e laila hiki no*. But we should think more along the lines of, if no need, then why, how about not.

"One of the other concerns was surge pricing. But if you try to catch a cab at 11:15 on New Year's Eve or anytime on Halloween in Waikiki, I'll bet you \$20 that you can't. There's none available. So unlike bottled water in hurricanes, Uber's surge pricing model isn't exploitative. During peak demand times and in high demand areas, riders are prompted, you will pay x.x times the price. It's usually around 1.2 or 2.0, and you can agree or disagree on that. But the surge incentivizes drivers to rush to that area, and the supply increases, levels out the equilibrium, and the price is stabilized. For customers if you need a ride and are willing to pay more, you got one. If you're not willing to pay more, then you can call a cab and the competition means there's probably still a cab available. Maximize economic welfare for all.

"I recently rode an Uber to Waikiki, and the driver was like, look, we're going through these regulations, we're probably going to have to shut down if this passes, and she wants me to come out and rally. And then I told her, no I work at the Capitol, and then she looked in the mirror, realized who I was, and started crying and saying, you know I think God sent you to ride with me. And then she starts talking about how much this means to her. It was incredible. And how much it means to her and how her son was a victim of drunk driver."

Representative Say rose to yield his time, and the Chair "so ordered."

Representative Ing continued, stating:

"Thank you. So she'll pick up customers that she sees tipsy on the side of the road and gives them rides for free. Now, she's not an employee of a multinational corporation, she's a sole proprietor, she's a contracted worker, so she's starting her own business. That's what this company is, if you ever rode an Uber or Lyft, these are local people that are using their cars and creating their own revenue and their own hours. It's quite encouraging and inspiring.

"This economic ecosystem that was created by Uber and Lyft, it actually doesn't preclude taxis from using it. If you go into the app, it says Uber X which is independent drivers, Uber Black which is limo companies, and then Uber Taxi, and you can actually hail a taxi, be it from Charley's or another company, as long as they register with the Uber service.

"So let's not drive Uber and Lyft down to the inefficiency standard we set for taxis. Instead let's lift up taxis to the Uber efficient standard set by the ride sharing industry. Policy makers can and should let innovation take the wheel without relinquishing our role as backseat drivers who make sure our economy stays on track. Thank you."

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, I am against this bill but not against the taxi driver who is an honorable Member of this Body. Having said that, Mr. Speaker, my biggest problem is that we're treating ride share as if it's taxis, and taxis as if it's ride share. One size doesn't fit all. But this bill is trying to make that happen and I think that's a big mistake.

"As the previous speaker eloquently pointed out, these are self-employed small businesses. They're paying taxes, they're using their own car, they're using their own time. And sometimes it's just going on their way to work and they pick somebody up and they make a few bucks. It's another way of creating jobs and creating more disposable income for the people of Hawaii.

"What I think the Legislature needs to pass a bill like this, if we were all in our 20's this bill would be a no brainer. Unfortunately, some of us are much older than that and then we have to look at it differently, Mr. Speaker, and I see you're smiling at that because this is a young phenomenon. This is part of the Internet age, it's part of the social media, it's a new paradigm shift of looking at transportation. Recall Senator Inouye deregulated the airline industry. That's what we need to do with our taxi and our transportation industry, as these two new innovative creative measures have come forward.

"We don't have data, though. We have a taxi industry that's fearful that these guys are going to put us out of business or steal our money or take territory or gore our ox. Mr. Speaker, we need, instead of a bill like this, we need to have DOTax do a study to see what the income impact is or what the gross receipts impact is. If Uber or Lyft come up are the taxi drivers going to go down, or is the pie growing and everybody is getting better because this is a social and a technology phenomenon, not just a taxi versus ride sharing phenomenon.

"So, Mr. Speaker, I would just say we need a paradigm shift, we need to look at this, let it grow before we pull it out of the ground, and I know the lady that the previous speaker spoke of, I had the same crying example, not sitting in a cab but in my office on the phone with an Uber driver saying, this is the way that I make my mortgage payments. This is a Hawaii Kai resident making their mortgage payments by doing this extra work with their own car. So, Mr. Speaker, I would submit that Uber is to the taxi companies what solar on our roof is to HECO. We need to give the small guys a chance, and this bill is not going to do it, it's going to ask them to leave, and I think we're going to be at a loss because of that, Mr. Speaker."

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

"I rise in strong support. Just as a philosopher, that was a really bad analogy. I'm all for innovation, I use Uber, I've used Uber with other Members in this House. We rode an Uber cab to a dinner and we asked the Uber driver about this legislation and he openly admitted that he's a taxi and it's just a different way of getting a taxi. I use my smartphone to secure a ride somewhere. I also use my smartphone to make a phone call to get a taxi to ride somewhere. These are the same real services.

"I want to thank the lead Chair, Transportation Chair, for working really hard on this, as well as the subsequent chairs. But at the end of the Transportation Committee hearing, the committee on which I sit, the director, I don't know if he's the CEO or the Executive Director locally of Uber, made a very telling admission, Mr. Speaker. He concluded by saying, we are a software company, and he's exactly right. It's a software company that is unique and innovative and great, and it's a great way to get a ride somewhere.

"Taxi companies are using similar innovative technology today to secure patrons for their services too, but if we're going to hold one group of this industry to certain standards, we must hold the other group of this industry to those same standards. If we're going to say to a person, you cannot be a taxi driver if you have a heart condition because you're going to be on the road 40 to 60 hours a week and it's a safety issue, we should not therefore let that person cross the street and go work for another company where they don't have these same standards. If we're going to say to one group that you have to have these insurance requirements, we can't allow the other group to not have those insurance requirements, Mr. Speaker. It's a basic issue of safety and fairness, and that's why I'm strongly in support of this measure. Thank you."

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

"Standing in support with strong reservations. Mr. Speaker, I have strong reservations with this draft because of the message that I believe it sends, not only to these innovation corporations but to the local people who participate in them and also to young people who are looking to find a way to make their mark in Hawaii in a way that allows them to continue to stay here and deal with our cost of living issues.

"I support regulations for ride sharing, but I do have concerns that this draft attempts to push a square peg in a round hole. Ultimately, overregulation of this industry doesn't hurt the multinational companies who came in and pursued this initiative, it penalizes the local people who participate in this industry and who use the service. The people who participate in ride sharing, the drivers, those are people who many of whom after a day of work at their primary job engage in ride sharing as a means of second income in order to deal with our cost of living.

"And in addition, this Chamber has and continues to make a concerted effort through the investment of taxpayer dollars to develop an innovation industry that attempts to do the things that these industries are doing, capitalize on underutilized resources in a productive way for our economic benefit. And I think that's what we have here, and I'm concerned that attempts to regulate these innovative services or services that are innovative like this, will go too far and will have the unintended consequence of chilling other innovation initiatives, while we are at the same time investing money to promote an innovation industry in Hawaii.

"So, I fear that if we go too far in an attempt to punish these types of commercial activities, we'll be acting counterproductively, and for these reasons I'll vote with reservations and remain hopeful that we can address some of these issues and that they'll be resolved appropriately in conference. Thank you."

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

"I rise with reservations. I echo the Representative from Kaneohe's comments. My fellow classmates from McKinley High School have written to me and have told me they need Uber because when they work with two jobs they need to be able to have the opportunity in between those two jobs to have a means of making money. It is so expensive to live

here on Oahu. I am thankful I live in Puna. And I agree so much with the comments from the Representative from Kaneohe. We are in the 21st century, we need to embrace 21st century values, and as such I rise with reservations. Thank you."

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

"Thank you, Mr. Speaker. In opposition. Thank you, Mr. Speaker. Just as with many of our hot button issues going through the testimony, there are people on both sides who contradict each other, and I just don't feel like there's enough time for any Member of this Body to pinpoint every single contradictory statement and get to the bottom of them.

"However, when I think of this bill I think of the future of the world, our state, and the process that we have as lawmakers. I imagine a place just five, six years ago, when the country used to be populated with Blockbuster Videos. Blockbuster Video has since gone out of business, and there's not one single one in Honolulu at least to my mind, because of the way that technology innovation has occurred.

"We now see things like Redboxes where you can rent videos from a kiosk without actual brick and mortar stores, without individuals making sure that kids aren't renting videos they shouldn't have. And I think that had Blockbuster or many of these other stores that rent videos had a strong lobby or had been organized and well-funded, that you might have seen the Redbox industry not take off as it has. If we had acted in that time I think we would have been able to avert those causes, but we would have found out that quickly, three or four years ago, the video industry is now into streaming where we have Netflix, HBO Go, Chromecast, Apple TV.

"The point I'm making is that the advent of technology and the progress of technology is very hard to legislate, and I think that as technology and innovation outpaces legislation, we should be very careful that many of the advances in service and ease and price for many people can be adversely affected by legislation. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. The first point I'll make is that, while I support this measure I do understand that this bill needs some work. It's not in perfect form by any means, but a step in the right direction.

"Second point, Mr. Speaker, is that I acknowledge that innovation is good and it has great benefits for people who seek alternative modes of transportation as a means for convenience and cost. However, Mr. Speaker, trying to regulate an on-demand transportation service to ensure proper safeguards and protections on behalf of the consumer and the general public is our responsibility as policymakers. The safety of the public, Mr. Speaker, is the bottom line.

"Opponents of this measure will say that this is way too much. This is overreach, overkill. But how is proper insurance coverage, Mr. Speaker, to ensure that there are no coverage gaps for the company driver and passengers, be too much? Also, Mr. Speaker, how are proper background checks with fingerprinting to assist in the hiring of potential drivers, TNC drivers, be too much? How are the requirements of GE to reporting and payments, the lifeblood of important state services and programs, be too much? One year of driving experience in Hawaii, Mr. Speaker, how is that too much? These are all safety and security requirements that are meant to enhance consumer protection and further enhance the current TNC experience.

"Another point, Mr. Speaker. There's a certain TNC company that is currently valued at \$40 billion. That's a lot of money, Mr. Speaker. The requirements in the bill is a small price to pay when it comes to ensuring the safety of their clientele and the people of this state. Furthermore, Mr. Speaker, other states and cities have put regulations in place to ensure fairness and safety for the consumer and TNCs to abide by them. Regulation and TNCs such as Uber can coexist, Mr. Speaker, and it has in Washington D.C., California, Colorado, Illinois, Kentucky, Virginia, and others, like Hawaii, who are moving forward in the same direction. So,

however, Mr. Speaker, the picture that's painted during this session seems to be the opposite.

"So I agree that we should embrace innovative ways to deliver services to the people. Whether you support this bill or not, I hope that we can keep in mind that keeping the general public, island resident or visitor, as a priority that we can all agree upon. Thank you."

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

"Thank you, Mr. Speaker. In support with reservations. Thank you. Just a brief comment, I think others have already noted the tension that exists between balancing innovation and general consumer protection. Although I am concerned that this bill will stifle innovation, the primary reason that I continue to support it is the disparity in coverage. The disparity in coverage between traditional taxis and our other drivers that are presently regulated and that of a TNC network, once the fare is completed, much discussion on the Floor has centered around passenger and driver, but I think there are also others involved, particularly pedestrians and others in the surrounding environment, and those two without any said regulation are treated very differently with these two approaches. So that is why I continue to support this bill. Thank you."

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

"Thank you, Mr. Speaker. I'll be quick. With reservations. I am actually very much opposed to this draft of the bill but I'm hopeful that I'll be able to continue to work on it in conference. One of the things that I just wanted to note, there are different changes across the country, people are trying to regulate Uber, but there has been a national compromise that has been reached and that Uber has tried to put forward, and I think that we need to at least give that some consideration. I'm disappointed that we haven't even been able to have a hearing on that language.

"What's happening, Mr. Speaker, is because people realize that this is a new and innovative product, so what we have to do is create new and innovative laws in regulations. And what insurance companies have done is come out with specific ride sharing packages so that instead of having a full taxi package or a full just regular average resident driver package that doesn't do anything for commercial reasons, they have this special package that's just for ride sharing companies, and I think that that's the way to go, Mr. Speaker.

"The market is already transforming itself to compensate for some of the problems that have been raised with companies like Uber, and I think we need to give that a chance to work. But so far we haven't been able to do that, we haven't been able to even talk about that compromise. And I think until we do that, we'd be doing a disservice to just get rid of the industry altogether. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, again in opposition. Mr. Speaker, I think the previous speaker mentioned the key word, compromise. Instead of snuffing it out, let's let it breathe, let's let it have a chance to show itself. Oftentimes we talk about picking winners and government should not be in picking winners. By way of exit Netflix took over from Blockbuster, not by government regulation but by free market, Mr. Speaker. Competition is good, people are just. This is the marketplace of ideas. We're competing with ideas, whose ideas are going to win. And I think Uber has got a great idea, Lyft's got a great idea. But we're going to snuff it out unless we get some compromise. And, Mr. Speaker, this goes on all the time when you have a state that has a very anti-business climate. We're known as one of the unfriendliest places. This gives us the same image the way we're debating this bill right now.

"Another case in point for innovative things, take the most innovative creation on the highways, the Tesla. Mr. Speaker, Tesla right now is wrestling with the State of Texas to not have to regulate car dealerships. Tesla wants to go directly to the consumer, and the car dealers are saying, no, no, you've got to come through us. We're going to sell Chevrolet,

Pontiacs, and we're going to have Fords and we're going to have Tesla. Tesla says, no.

"Mr. Speaker, there's a market shift when we get new products and new technology, and I think we have to roll with that. But as the good President Regan once said regarding transportation, if it moves, tax it, if it keeps moving, regulate it, if it stops moving, subsidize it. So, Mr. Speaker, I think we have to back off a bit. Thank you."

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

"Thank you, Mr. Speaker. I rise with strong reservations and ask that the elegant words of the Representative from Kihei and District 27 be entered into the Journal as if they were my own. Their wisdom is even more apparent now that they're wearing glasses. Thank you, Mr. Speaker," and the Chair "so ordered." (By reference only.)

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

"In strong support. I would like to have the words of the Transportation Chair entered into the Journal as if they were my own. Just to make some clarifications here, we are not trying to regulate Uber, Mr. Speaker, we're actually trying to make sure that their drivers are certified. This is what this is all about. In order to get certified, Mr. Speaker, one must of course have to go through the background check, be fingerprinted, take a health exam, take a written exam, and take an oral exam. It may take months to years to get this qualification. And from then on, once certified, then of course we have to purchase commercial vehicle insurance, then we have to get our vehicles inspected and with a control number and also be metered, which is also controlled. There is nothing stopping anyone from doing this. Mr. Speaker, anyone can get certified. They can still have a part time job.

"Mr. Speaker, there is nothing stopping Uber from hiring certified drivers. It's all legal. That's all we're trying to do is just to make sure that everyone plays by the same rules. This is not against any transportation company. We're just trying to make sure that our drivers, the people that pick you up, are certified for the safety of the community. It's very simple. And just to let you know we're not after the transportation companies, but just to certify their drivers. Thank you, Mr. Speaker."

Representative Ing rose to respond, stating:

"Mr. Speaker, in opposition, second time. I just want to say that I completely agree with the previous speaker regarding parity of regulations. Let's talk about what ride sharing companies, first of all, are subject to. They need driver's insurance, the passenger is covered through the parent company Uber. They too are metered. What's different is, like was previously mentioned, you've got to take these written tests, these oral tests, these driving tests, all these regulations, and the question is why? Why are we subjecting taxi drivers to this? If the answer is because of safety, because of liability, then okay, but let's look at what happens when you take those away, are people less safe, are people less liable, are people getting cheated more, is the passenger experience worse? No, no, no, no. All those squares are covered. I don't know about your card, Mr. Speaker, but on mine that's bingo.

"One last point. In order to create parity we can either regulate Uber more or regulate taxis less. And if we see these results, these same goals that we're seeking with the regulations from taxis without them, then let's revisit those regulations and see if they're really needed. And let's make the previous speaker's life a lot easier. Thank you."

Representative LoPresti rose to respond, stating:

"Thank you. Second time, still in support. I just want to agree with the last statement that the previous speaker made. I agree, we should either regulate Uber and Lyft to the same extent as taxis, or deregulate taxis to the extent that these competitors are unregulated. Thank you, Mr. Speaker."

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

"Mr. Speaker, I just want to ask for a ruling on a conflict of interest," 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. 1280, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION NETWORK COMPANIES," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Creagan, Fukumoto Chang, Johanson, Keohokalole, San Buenaventura voting aye with reservations, and with Representatives Ing, Lowen, Matsumoto, Ohno, Pouha, Thielen, Tupola and Ward voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1652) recommending that S.B. No. 1030, SD 1, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1030, SD 1, HD 2 pass Third Reading, seconded by Representative Evans.

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

"With reservations, Mr. Speaker. Just a small comment. In the section where it says tobacco products, it defines it as an electronic smoking device, which at this point it is not clear that all electronic smoking devices do contain tobacco. So until we know that, I don't know if it should be added into that section. Thank you."

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

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

"With reservations. Not only for the fact that it includes vaping products, but also that the American Heart Association, the Coalition for a Tobacco-Free Hawaii, they are all against that section of this bill that prohibits and makes criminal the possession and consumption of tobacco products by minors. They have all stated unequivocally that that impact increases the use by minors. And because of that, I stand in reservations."

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

"Thank you, Mr. Speaker. Unfortunately, I have to rise in opposition to this measure, mostly for the reasons that were spoken to by the previous speaker. I would like her words entered into the record as if they were my own. But also I guess I've been having a real hard time, I think my friend over in the Senate from Kahului said it the best. Cigarette smoking, I can't handle it, think it's disgusting, I like to get as far away from these guys as far as possible. But when you can enter into a contract, Mr. Speaker, when you can be emancipated, when you can be called up to service and fight in a place and be shot and killed possibly, to say that you can't have a cigarette anymore, that there's a new standard of the age of majority, has been something that I've been wrestling with. Until this can be reconciled, if it can be, I'm going to have to go no on the measure. But it's not because I don't appreciate what the advocates are trying to do, as so far as smoking goes."

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

"Thank you very much, Mr. Speaker. With strong reservations, Mr. Speaker. Yes, like standing up on SB 1032, I have an issue with the definition of tobacco products being changed in this particular measure and adding in nicotine. I think we should really revisit that. And if we are going to move forward with this measure as well as SB 1032, they should be a little bit more consistent. I have another serious issue with adding the smoking devices in here. Again, I don't think we should be doing that. These legislative bodies have already raised the age to 18 to purchase smoking devices probably about two years ago.

"I too, as the Representative from the west side of Maui, have a concern. Twenty-one year olds, between 18 and 21 you can go fight a war. You can buy a car, you can buy a house, you act like an adult. I understand that we do regulate individuals up to 21 to purchase alcohol. But when the legislative body did that back in the early 1980's, they put this step in. If you were between 18 and 21, you were kind of grandfather cloused in. And then as you started the birthing ages of 21, they could buy. This measure doesn't have that in there. And I heard the industry and what Hawaii County has done by saying it will be a lot easier. Well, we all know our identification cards in the State of Hawaii go horizontal and vertical according to your age, 18 to 21. I don't see where the industries are going to have that problem with identifying individuals between 18 and 21.

"There are smoking devices that don't have nicotine in them. And why am I supposed to tell a 19-year-old you can't buy a smoking device that contains just vanilla extract? And how am I going to tell an officer how to enforce that when they don't have any testing components to test nicotine in the products. I'm hoping this measure will go to conference and we clean it up or it dies.

"Now I know those youth that came knocking on my door saying please support this measure to 21. Taking alcohol to 21 was a different discussion. Taking cigarettes to 21 is completely different. What am I supposed to tell a 19-year-old, don't smoke? I don't like smoking, I don't smoke, never even took it up. I don't like to be in a room where smoke, either. But I'm not going to tell somebody put the butt out. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition, brief comment. Mr. Speaker, as a veteran, I cannot in good conscience support a bill that, when someone is on the battlefield and less than 21 years of age cannot stop and smoke, or if they're in Schofield, or Wheeler, or wherever, Mr. Speaker.

"Interestingly on page three, there are exemptions. If you're in a study for law enforcement you get exempted. If your parents agree or if you're 21 years old and you're delivering tobacco, you get exempted. Well, why don't we exempt the Armed Forces, Mr. Speaker? How can we put people in harm's way and say, by the way, you can't smoke. It doesn't make sense, Mr. Speaker. It's not fair. You don't have to be a veteran to know that. This is just overreach, Mr. Speaker, and I hope it gets changed in conference committee."

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

"Reservations, please. I think if we're going to regulate e-cigarettes, let's do that. If we're going to regulate tobacco products, let's do that. I think by trying to do the two at once, you create a gap, and I don't think that makes for efficient law making. For those reasons, with reservations. Thank you."

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

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

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

"Mr. Speaker, in support, brief comments. The argument about the military, it's an interesting one, but I'm looking at the statistics for the number of people who died, Americans who died in World War II, and the number is 403,000, which is a horrific number. But the number of people who die every year in the United States alone from direct tobacco smoking or from second hand smoking is 443,000 every year. So to give our soldiers something that dangerous as they're going into danger makes no sense at all. We should be restricting cigarette use as much as humanly possible among the military for their own safety. Thank you very much."

Representative Ward rose to respond, stating:

"Mr. Speaker, first of all, smoking is volitional, fighting in a war is not often volitional, it's by politics and failure of diplomacy that forces our young people into war. People decide to smoke, and as a responsible 18-year-old they deserve to have an opportunity to express, particularly under stressful situations like being in the military. Lastly, Mr. Speaker, if I may insert comments into the Journal. Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in opposition.

"This bill punishes the possessor. Do not punish adults for making an adult decision. Eighteen is not an arbitrary number – it's the age of adulthood in America. Eighteen-year-old men and women in our military services fight – and die – for our country. But we think it's fair to tell them they cannot choose whether or not to smoke or chew tobacco? This punishes adults with no grandfather clause – doesn't allow any leeway for those 18-20 years that have been legally smoking for years. Now they pay a fine?

"Do not punish good kids who become good adults for simply trying a cigar or e-cig or cigarette once in their lives. In Hawaii, 5,600 kids try smoking for the first time each year. Only 25% actually become regular smokers. If that's the case then 75% of kids that try smoking once could be criminals for something they would never do again even without this bill. This is not a deterrent, but a new revenue source built on the backs of the lowest income bracket in our population; those just beginning their work life.

"Do not punish adults for using innovative alternatives to quit smoking. Electronic smoking devices 'vape' all sorts of products, and a great number of the options have no nicotine at all. There is no proof that the vapors have any negative health effects; since they are helping people quit cigarettes, why ban them until we KNOW there is a negative effect?

"Do not punish adults for choosing to smoke one plant over another. In another few minutes we'll be discussing protection from discrimination for those who smoke marijuana in SB 1291, even though medicinal marijuana can be made into many forms that do not need to be smoked. Many studies show significant negative health effects on the lungs and immune system from smoking weed and the second hand smoke of weed, including the same issues that result from cigarette smoke, but we are not fining those users – we are protecting them.

"The Legislature's responsibility does not include dictating legal adult decisions for adults. Punishing the possessor doesn't put us on par.

"Thank you, Mr. Speaker."

Representative Ward also submitted the following opinion piece from *The Washington Post*:

"OPINION

For members of US military, a ban on smoking could really burn



Pfc. Dustin Bradley smokes a cigarette while manning Strong Point Dennis near Combat Outpost Nalgham, Afghanistan, on May 9, 2011.

LAURA RAUCH/STARS AND STRIPES

By Walter Pincus
The Washington Post
Published: June 25, 2014

WASHINGTON — Congressional efforts to limit or even stop men and women in the military from smoking cigarettes or using other tobacco products could create a major morale problem for front-line troops.

The Joint Chiefs of Staff see it coming and hope to get out in front of it.

Last week, during the Senate Appropriations defense subcommittee hearing on the fiscal 2015 defense budget, the panel's chairman, Sen. Dick Durbin, D-Ill., questioned the discount prices for tobacco products sold within the Defense Department. "We spend \$1.6 billion a year on medical care of servicemembers from tobacco-related disease and loss of work," he said.

Gen. Martin Dempsey, chairman of the Joint Chiefs, responded, "We've asked a lot of our men and women in uniform, and we lead an uncommon life by choice. But all the things you're talking about are legal, and they are accessible, and anything that makes anything less convenient and more expensive for our men and women in uniform, given everything we're asking them to do, I've got concerns about."

Dempsey concluded, "I want to make sure that you understand that the chiefs will need to have a voice on this because of the effect on the force."

Reducing smoking in the military has been a creeping campaign for almost 30 years, starting with congressional efforts in 1985 to raise commissary cigarette prices to equal those in civilian stores. Instead of raising prices, then-Defense Secretary Caspar Weinberger set up an "aggressive anti-smoking campaign" after a 1986 Pentagon study showed military smokers were less physically fit than non-smokers and tobacco-related health costs might reach \$209.9 million.

Other steps and other studies have followed. At the June 18 hearing, Defense Secretary Chuck Hagel said he has ordered a review of all tobacco sales as part of a study of all health programs. On March 14, a department memo titled "Reducing Tobacco Use in the Armed Forces and the Department of Defense" noted department policies have "made great progress in reducing tobacco use. Yet our work is far from over." The memo, which went to the service secretaries and the military chiefs of staff, set as a goal "to dramatically reduce use of all tobacco by 2020," with proposed structural reforms such as where tobacco purchases should be made and "the need to consider tobacco-free installations."

Face it. In the U.S. military, smoking cigarettes hasn't just been accepted, it's been important. I've never smoked, but I grew up during World War II when Bill Mauldin's famous cartoon GIs had cigarettes dangling from their lips. So did Ernie Pyle, that war's most famous war correspondent.

As late as 1975, cigarettes were part of soldiers' rations. Since then, a new attitude has developed as steps were taken to discourage smoking. In 1994, the Pentagon banned smoking in workplaces and set up designated smoking areas. A 1997 executive order went further, banning smoking in all government-owned, rented or leased interior spaces. After a phase-in period, the Defense Department fully implemented that policy in December 2002.

To some degree, the Navy has led the way by eliminating smoking breaks and setting up smoking areas in offices, surface ships and submarines in the 1990s. In 2010, it banned all smoking on submarines.

The department's actions have had some effect. In 1985, all military smoking was at 47 percent. It's dropped to 30 percent. However, as the March 14 memo states, "An estimated 175,000 current active duty servicemembers ... will die from smoking unless we can help them quit."

Durbin pointed out that the rate of smoking among the military is 20 percent higher than the overall U.S. civilian rate and that servicemembers' use of smokeless tobacco has gone up to more than 400 percent higher than the U.S. average.

"One out of three members of the military who use tobacco today say they started after they enlisted," Durbin added.

The last major military smoking study, requested by the Pentagon in 2007 and completed by the Institute of Medicine in 2009, found that

"smoking rates among military personnel returning from Iraq and Afghanistan may be 50 percent higher than rates among nondeployed military personnel."

The institute's study said, "Current cigarette use in the military is more likely among men, those who are white, have less than a college education, are younger than 34 years old, and are enlisted versus officers."

In 2005, smoking rates for 18-to-25-year-old military men was high at 42.2 percent, although it varied by service, with the Army and Marines being highest, and the Air Force the lowest.

In short, smoking is highest with those most likely to be involved in fighting on the ground. A 2008 study found that "smoking rates increased by 57 percent among those deployed and by 44 percent among those not deployed."

Last March, when Stars and Stripes carried a story about Navy Secretary Ray Mabus considering a ban on all tobacco sales on ships and bases, the comments received previewed what could come if more actions are taken.

"THIS IS OUT OF CONTROL!!!!," wrote one ex-Marine. "When I was sitting in a bunker in Vietnam at 0400, a cigarette gave me comfort and pleasure. OH!!!! It is not good to get lung cancer but a sucking chest wound is???"

Dempsey was more diplomatic: Because smoking is legal, taking more steps to halt it "is an issue for the broader Congress of the United States, not uniquely for the United States military."

Rep. Duncan Hunter, R-Calif., a Marine Reserve major with three combat tours in Iraq and Afghanistan, has already acted. He argued at one point: "We sleep in the dirt for this country. We get shot at for this country. But we can't have a cigarette if we want to for this country, because that's unhealthy."

He got the House to approve his prohibition of any new restrictions on legal products — including tobacco, sold on military bases, commissaries, post exchanges, and even ships — added to the fiscal 2015 Defense Authorization Bill.

Let's see what the Senate does."

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

"Thank you, Mr. Speaker. I rise in strong reservations and would like to enter comments into the Journal. I think we make a mistake and we should have separate statutes for nicotine delivery devices that are not cigarettes. Cigarettes are bad, we want to decrease cigarettes, we want to decrease cancer. But when we regulate nicotine delivery devices the way we do cigarettes, we're going to increase cancer, not decrease it, Mr. Speaker. That's why I rise in strong reservations to this. Thank you."

[Note: please refer to Representative Creagan's written remarks on S.B. No. 1032, SD 2, HD 2.]

Representative Jordan rose to respond, stating:

"It'll be short, Mr. Speaker. At what point in time do we stop? Sugar is bad for us, and we should be regulating sugar because people die every day from diabetes and other issues due to sugar on our health industry. So here we are, we're just picking at it. Eighteen is a good level, we're going to go 21, then we're going to start telling everybody else they can't do anything else. We have to have even across the board. Thank you, Mr. Speaker."

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

"Mr. Speaker. I apologize very briefly in support. I just wanted to point out one thing which is that, with the discussion about military, which I think is one group being singled out here in particular. Even the military has moved in a number of places to restrict smoking among its personnel, chiefly because the cost of smoking among US military healthcare system beneficiaries has been estimated to more than, and these are their numbers,

\$900 million per year, and this was two decades ago, with an additional half a billion dollars in direct healthcare costs and another \$346 million in lost productivity among active duty personnel. 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. 1030, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Creagan, Jordan, Kawakami, Keohokalole, Pouha, San Buenaventura, Say and Tupola voting aye with reservations, and with Representatives Choy, Fukumoto Chang, Kong, McDermott, McKelvey, Oshiro and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1653) recommending that S.B. No. 284, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 284, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise in strong support. Just some brief comments here. I'm just grateful to the leadership that this House has shown to observe conserving open space and also doing it responsibly. I'm grateful for the chairs that have been able to vet through this process, and I understand that we will continue to look at the means of financing, of which I'm committed to be helpful to. I do believe that the purpose of the TAT and the nexus connected to the conservation easement at Turtle Bay is very clear. So it's for those reasons and others that I rise in strong support. Thank you."

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

"Thank you, Mr. Speaker. With reservations. Although our lengthy discussion in Finance on this particular measure was quite enlightening, I think the individuals who may want this has now provided a fee for the State of Hawaii, and I'm very appreciative of that because that was my major concern last year. I'm not interested in buying easement, I am interested that the State owns in fee simple. And I am very appreciative as the most beautiful portion of this piece of property. So for right now I will stand with reservations as this moves through conference committee, Mr. Speaker. Thank you very much."

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

"Mr. Speaker, I will be voting in support with reservations. And let me just say a few words why I support it with reservations. The owner of the property is very, very smart. Originally they were willing to sell us just conservation easement. Now they're willing to give us the fee simple with the same price. You have to look behind why are they doing this.

"First, if we own the property we might end up being liable, in case somebody sued us we are in the loop. So we should at least find ways to negotiate with them that if they're going to give us the fee simple interest, and then we're going to lease to them 65 years. It's practicality a lifetime. When they unload it before even 65 years, guess what? In case of a suit, we own the property, we should provide when we go through the process of finalizing this bill that if we have to give them the leasehold interest for 65 years, one, they have to pay us lease rent on the property. Number two, that if we are going to be sued, there should be a term in the contract that will exempt us from liability, because the property owners right now said that we'll be taking care of whatever is needed in the protection and the things that should be done is their responsibility. The other thing why they outsmarted us is, if they sell the property to the State, the State is not going to pay any real property tax, but if they own it they have to pay real property tax to the City.

"So to my point, I believe that we are outsmarted by them, and by doing so this bill is not yet more or less finalized. We should come up with ways

to negotiate so that they have to pay us lease rent since we are getting for the same price, and at the same time exempt us from liability, because that's their responsibility. We'll be in the loop if we're not going to do that. Thank you, Mr. Speaker."

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

"Mr. Speaker, in strong support. Mr. Speaker, in the past I voted with reservations on this bill. I had grave concerns about the State purchasing only a conservation easement. Since then, the owners of the property have offered a fee simple purchase of 55 acres of the area around the bay to the State for the same amount of money that was originally discussed for the conservation easement.

"Mr. Speaker, coming from the neighbor islands, I think my constituents see the value in the purchase of land fee simply versus a conservation easement. This land will be owned by the State forever. The land will be available to the public forever. For my constituency, I think they see a huge value in that, and I appreciate the ownership looking at that as a benefit for the State of Hawaii.

"In regards to the maintenance of this property, the reason that the ownership is willing to accept a lease provision to lease it back to them is so that they can maintain the property, and to maintain it consistently with the rest of the property that they own so that the people of Hawaii can enjoy that property, as well as the property that we're getting the conservation easement on. So with that in mind, Mr. Speaker, I stand in strong support."

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

"Thank you, Mr. Speaker. With some reservations. But I do want to take this opportunity to thank the Tourism Chair for his wisdom in killing the previous bill, and the Water & Land Chair and the Vice Chair of Water & Land making the corrections in this bill, especially the part about the sunset if it doesn't get completed by January 1, 2016. So this bill started off as a bad bill. The Tourism Chair and the Tourism Committee deferred that bill, and the Water & Land Chair and Vice Chair made it a much better bill. Thank you very much, Mr. Speaker."

Representative Brower rose in support of the measure and asked that the remarks of Representative Tokioka 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. 284, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX," passed Third Reading by a vote of 50 ayes to 1 no, with Representatives Cachola, Jordan and Tokioka voting aye with reservations, and with Representative Kong voting no.

At 12:08 o'clock p.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 892, SD 2, HD 3
S.B. No. 1155, SD 2, HD 2
S.B. No. 1101, SD 1, HD 3
S.B. No. 1280, SD 2, HD 2
S.B. No. 1030, SD 1, HD 2
S.B. No. 284, SD 2, HD 2

At 12:08 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:02 o'clock p.m., with Vice Speaker Mizuno presiding.

ANNOUNCEMENTS

Representative Takayama, for the Committee on Public Safety, requested a waiver of the 48-hour advanced notice requirement for the

purpose of hearing the following measure on Thursday, April 16, 2015, at 10:05 a.m. in Conference Room 309, and the Chair "so ordered."

S.C.R. No. 71, Requesting the Hawaii Emergency Management Agency to Conduct a Study Regarding the Feasibility and Cost of Constructing a Small, Rural Landing Site or Airstrip for Use by the National Guard and Emergency Responders in South Puna and Evaluate the Possibility of Using Basalt Rebar or Lunar Basaltic Cement in the Construction.

UNFINISHED BUSINESS

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1654) recommending that S.B. No. 1028, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1028, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Mr. Speaker, I stand with reservations. My main comment is that the transitional programs which have helped employers, especially small employers, being able to weather the gap between prepaid health care and ACA, that that not be terminated and that the language be clear that this bill, that our laws would follow the federal transitional policy period, i.e. such that whenever President Obama decides to allow for transitional insurance policies to continue, that our own ACA continue to follow it. Thank you."

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

"Mr. Speaker, opposition. I will be very brief saying this is a waste of time and a waste of taxpayers' money. Mr. Speaker, we should be teaching the nation how to do healthcare, not the other way around. This is the tail wagging the dog. We know more than they know but yet we're putting in the \$200 million and we're going to have another subsidy, and I speak for both of these bills against them, otherwise I have comments to put in the Journal. Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise strong opposition.

"These bills steal from the functional and productive to give crutches to the broken and superfluous.

"S.B. No. 1028 allows the Connector to use its technology and essentially function as a benefits administrator – in direct competition to established private companies who already do this.

"S.B. No. 1338 allows the Connector to sell large group coverage when that is already done outside of the system and without governmental, middle-man fees.

"These bills force a non-competitive system on companies that must survive competitively.

"S.B. No. 1028 requires that insurers not only comply with the Affordable Care Act in regards to contracting with essential community providers in their network, but to contract with ANY willing federally qualified health center, taking away their contract law rights.

"S.B. No. 1338 removes the federally-permitted transitional, or 'grandmothered' plans which will then mandate enrollment with the Connector for individual and small group plans at potentially higher rates.

"These bills are not working to care for our community health better, they are propping up a broken, government-funded system that undermines Hawaii's businesses and citizens.

"Thank you, Mr. Speaker."

Representative Cullen 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 DeCoite 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."

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

Representative Fukumoto Chang 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. 1028, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Cullen, DeCoite, Fukumoto Chang, Har, Jordan, Keohokalole, Matsumoto, Oshiro, Pouha, San Buenaventura and Tokioka voting aye with reservations, and with Representatives Choy, Kong, McDermott, Thielen, Tupola and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1655) recommending that S.B. No. 1338, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1338, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

[Note: please refer to Representative Ward's written remarks on S.B. No. 1028, SD 2, HD 1.]

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

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

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

Representative Keohokalole rose and asked that the Clerk record an aye vote with reservations for him, 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 Fukumoto Chang 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 Pouha 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. 1338, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Cullen, DeCoite, Fukumoto Chang, Har, Jordan, Keohokalole, Matsumoto, Oshiro, Pouha, San Buenaventura and Tokioka voting aye with reservations, and with Representatives Choy, Kong, McDermott, Thielen, Tupola and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1656) recommending that S.B. No. 1174, SD 2, HD 2 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1174, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

"Thank you, Mr. Speaker. In support. Unfortunately, our workers' compensation system is pretty well broken at this point. People who are legitimately injured at work can't find doctors who will take care of them, probably because the reimbursements are too low and probably because the doctors don't want to go through the paperwork. So this bill is an attempt to address part of that problem.

"There's also a lot of misinformation about how many people on workers' comp are committing fraud. I introduced a bill a couple years ago to move the fraud investigation from DLIR to the Insurance Division, the rationale being that they were more capable of investigating that kind of fraud. And the statistics that came back from DLIR was that 14 out of 7,441 workers' comp cases were determined to have committed fraud. Fourteen, and that's not even breaking down between the employer and the employers.

"So fraud is not a big factor in workers' comp cases, but what is a big factor is that if you're hurt at work, the chances are you'll eventually be cared through the system, but it's a very difficult process and one that people who are legitimately hurt at work don't deserve. *Mahalo*."

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

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise with reservations on SB 1174, SD 2, HD 2. The bill would provide that in workers' compensation disputes, the independent medical examiner would be selected by mutual agreement, as opposed to the current system, where the independent medical examiner is determined by the employer. While I believe that the examiner engaged in the dispute should be unbiased, I am sympathetic to the concerns raised by employers

that this measure could erode their only check against potential abuse. A problem definitely exists, and workers need to be treated fairly, which is why I am supporting this measure, albeit with some reservations."

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

"Strong support, thank you. I ask that the Judiciary Chair's words be entered into the Journal as if they were my own. Mr. Speaker, a few words further. I think this bill is a step in the right direction because it should hopefully reduce workers' cost by eliminating ongoing conflicts between employers and workers as to which physicians should perform independent medical examinations. I think there's a lot of doubt and there's a lot of troubling, at least anecdotal, stories I've heard about people trying to get workers' comp and who have been in their experience given the runaround, and some die waiting and being forced to challenge some of the rulings about whether or not they're legitimately injured on the job. I think that this bill helps to solve some of those problems."

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

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

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

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

"Request for a ruling on a conflict of interest. My wife is a doctor," and the Chair ruled, "no conflict."

Representative Cachola continued to speak in support of the measure with reservations, stating:

"I'll be voting with reservations. During the hearing, those who testified in support of this bill, especially lawyers, have been accusing doctors as being hired guns, and I take offense to that because they're not hired guns. The way I look at it is, sometimes doctors refuse to be in this situation because the amount of fees that are being paid to them is already set up in current legislation or act, and if my wife, for example, is being hired as an independent medical examiner and has been there for the whole day, she'll be losing a lot of patients to see, and therefore it's not more or less profitable for her to do that.

"But I don't think the process is broken at this point in time, because if you come up with several doctors that will be recommended by both sides, it might even be more expensive, because I don't know how many doctors will be recommended by both sides of the party. And before you know it, it takes a lot of time to do that. Plus, it doesn't do away with any one of them appealing and going to court and saying, no I don't want that. To a point, it might even be more expensive if we would pass this bill out, and that's the reason why I'm speaking in support but with reservations. Thank you, Mr. Speaker."

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

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

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

Representative Choy 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. 1174, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Cachola, Choy, DeCoite, Fukumoto Chang, Johanson, Jordan, Matsumoto,

McKelvey, Pouha, Tokioka and Tsuji voting aye with reservations, and with Representatives Kawakami, Kong, Say, Thielen, Tupola and Ward voting no.

Representative Rhoads, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 1657) recommending that S.B. No. 1291, SD 2, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1291, SD 2, HD 2 pass Third Reading, seconded by Representative Evans.

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

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

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

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

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

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

Representative DeCoite 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 DeCoite's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing with reservations on SB 1291, SD 2, HD 2.

"Mr. Speaker, this measure is well intended. I agree that no patient should face discrimination, even those with legitimate medical needs who use medical marijuana. I especially agree that no student should be subjected to discrimination due to their medical condition and treatment requirements. Unfortunately, as a small business owner I suspect that this measure is going to complicate things for employers.

"The real issue lies with the fact that we have no accurate way to measure a person's level of intoxication. If a medical marijuana patient utilizes medical marijuana on a day to day basis, or even a few times a month, they will test positive for having THC in their system, regardless if they are intoxicated or not. This in and of itself makes it impossible for an employer to judge when an employee has used medical marijuana and if they are currently intoxicated.

"For this measure to work seamlessly we would need a way to accurately test the intoxication levels and possibly a rescheduling, decriminalization, or legalization at the federal level. Currently, cannabis is classified under the Schedule I category at the federal level. This creates conflict with federal and state policy and statute. An employer could easily justify not hiring or retaining an employee because of the federal

classification of cannabis, claiming there is no medicinal use for it under federal scheduling guidelines.

"A patient may be able to function normally, or to adequate performance levels, while under the influence of medicinal cannabis, but this creates too much leeway for individuals. Let's face it, there are those who currently possess medical marijuana cards, who may not legitimately need them. This measure could allow those individuals to abuse the system, and we don't want that. We want to encourage responsibility, Mr. Speaker.

"Mr. Speaker and distinguished Members of this Body, I urge everyone to please take careful consideration of the implications to employers and others that SB 1291 will have as we move into conference. Thank you."

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

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

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

"Mr. Speaker, no vote for 1657 and 1658 and a comment really, really brief. Mr. Speaker, even though it doesn't meet the legal definition, I don't see the threshold of the need to make marijuana smokers a protected class. I think that's a slippery slope, and it's going to run into some difficulties if it is fully implemented as protected classes have been in the past. 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. 1291, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Third Reading by a vote of 43 ayes to 8 noes, with Representatives Aquino, Cachola, Cullen, DeCoite, Fukumoto Chang, Johanson, Jordan, Matsumoto, Oshiro, Pouha, Tsuji and Yamane voting aye with reservations, and with Representatives Choy, Har, Kawakami, Kong, McDermott, Tokioka, Tupola and Ward voting no.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1658) recommending that S.B. No. 682, SD 2, HD 1 pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 682, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

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

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

Representative DeCoite 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 DeCoite's written remarks are as follows:

"Thank you, Mr. Speaker. I am writing with reservations on SB 682, SD 2, HD 1.

"Mr. Speaker, I support the intent of this measure and I completely understand the plight of those patients who need medical marijuana, but cannot grow it themselves.

"However, while the numbers of those who need dispensaries may be great in metropolitan islands like Oahu, in our rural districts there is little need for these large scale dispensaries. Such dispensaries are more apropos for a larger city than neighboring rural islands within House District 13. We may need to look at the feasibility of connecting patients directly with

growers in the areas of our state where the need is too low to warrant a full-scale dispensary.

"My primary concern with this measure is the way we will source the cannabis, and the achievability of effective quality and diversion control.

"Personally, if we must move forward with this measure, I would like to see this as a purely local endeavor. In the bill, production centers are clearly defined, though it is not clear where exactly the marijuana will be sourced from. Are the growers and production centers one and the same? From the bill text, we don't see too much about growers, although we should since they are an essential part in the process. Lumping them in with production centers seems like the wrong way to go about this.

"Preferably, we should only be supporting local medical marijuana growers to maximize our economic benefit. If we attempt to go outside the State for these resources, it will only complicate things due to the conflict of state and federal regulations on marijuana. No outside growers or dispensary entities should benefit off our medical marijuana patients, this will help keep outside criminal enterprises from gaining a foothold in our medical marijuana system. Yet there is nothing specifically prohibiting outside interests in the bill.

"Toxicity and contamination are a big issue too. How do we accurately regulate Tetrahydrocannabinol (THC) and Cannabidiol (CBD) levels and guarantee them? Every plant is different, even if it is the same strain or came from the same batch of seeds. Certain strains have been cultivated specifically for their high CBD content. If a patient gets medical marijuana that they believe is high in CBD's and it turns out that it has been misanalysed and is actually high in THC, the patient's condition could become exacerbated. The consequences for patients could be potentially life threatening.

"Not only is the accurate analysis and labeling of naturally occurring components within marijuana a concern, but also the added components that may be introduced to the plant during the growing process. How will we guarantee that the plant material or processed products are free of pesticide sprays and other contaminants? There is language in the bill which addresses this, but it simply states the Department of Health must adopt 'standards and methodologies related to testing medical marijuana products for content, contamination, and consistency'. What exactly does this entail and is it scientifically backed to keep people safe? I suspect to adequately safeguard patients, regulation of toxicity and contamination will be a complex and costly effort.

"How will we accurately keep track of the plants? An electronic tagging and monitoring system is great, but we are dealing with plants here, not powdered compounds with scientifically exact amounts. There is no way we can definitively say that a plant will yield a specific amount. Depending on the way a plant is grown and its genetics, it could yield much more or much less than expected. Unless regulatory officials possess expert knowledge on marijuana cultivation and are constantly inspecting these plants, the potential for diversion is high.

"Furthermore, will there be adequate funding for ensuring compliance with regulation and safety? If the special fund cannot cover costs, will our state have to use our general excise taxpayer money for these dispensary systems? If we start appropriating things out of our general funds for this it will not be a smart move, especially with our current economic situation of having less and less money every year, with more expenses to fund than the preceding year. The last thing we need to do is take on more responsibility when we have hospital systems in dire need of help.

"Mr. Speaker and distinguished Members of this Body, I urge everyone to please take careful consideration of SB 682 as we move into conference. Thank you."

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

Representative Tsuji 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 Pouha rose and asked that the Clerk record an aye vote with reservations for him, 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 Jordan rose to speak in support of the measure with reservations, stating:

"With reservations, Mr. Speaker, although I do support medicinal use of marijuana. We are getting closer to something, hopefully in conference with the House Bill and the Senate Bill we can come out with something for those individuals who were given cards almost 15 years ago, and we can start being ahead of the country instead of behind the country in medical services. I'm still very not comfortable with this particular measure, but as we're moving forward with this we are getting better and better and refining everything. And I do hope that we're going to have a measure that we can all be happy to pass out before *Sine Die*. Thank you, Mr. Speaker."

Representative Oshiro 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 Oshiro's written remarks are as follows:

"I rise to speak in support on SB 682, SD 2, HD 1, but with serious reservations.

"PART I: Definitions and Attorney General concerns need to be addressed

"First, from my review of Standing Committee Report No. 1658, testimony filed and oral testimony provided at the public hearing on Thursday, April 2, 2015, not one of the suggested amendments from the Department of the Attorney General was accepted and adopted into the House Draft before us. Certainly, I am not suggesting that all suggestions need be adopted, but only that many suggested amendments to the 'terms of art' or definitional terms were not considered. The Deputy Attorney General herself repeatedly expressed serious concerns over the vague or imprecise definitions in the draft, readily suggesting that those amendments were very important or at the very least should be seriously considered. As such, Members today, including myself, are casting a vote on a bill that as currently drafted may not bear the careful review and scrutiny of the Attorney General upon final passage by the Legislature. Additionally confounding is the fact that the same Deputy Attorney General raised the same and similar concerns of the 'terms of art' or definitional terms in prior drafts of a similar bill, namely, House Bill 321. For example, the testimony of the Attorney General states in relevant part:

- HB 321 – February 7, 2015: 'Concerns with Definitions: Our general concern with definitions is that the usage of some terms within the bill is not always consistent with the definitions given. It is necessary to be consistent to avoid the problems of ambiguity. . . Thank you for the opportunity to share our concerns. We respectfully request these Committees to consider our comments.'
- HB 321, HD 1 – February 27, 2015: 'Concerns with definitions: Our general concern with definitions is that the usage of some terms within the bill is not always consistent with the definitions given, and some terms are not defined, but need to be. It is necessary to define additional terms and be consistent to avoid the problems of ambiguity. . . Some of the terms, even when consistently defined, are used inconsistently or in an ambiguous manner. We recommend the following adjustment for clarity and consistency. . . Thank you for the opportunity to share our concerns. We respectfully request this Committee to consider our comments.'

"Similarly, on SB 682, SD 2, HD 1, The Department of the Attorney General again repeats its concern and advises as follows:

ROUGH DRAFT

- SB 682, SD 2, HD 1 – April 2, 2015: 'Concerns with definitions: Our general concern with definitions is that the usage of some terms within the bill is not always consistent with the definitions given, and some terms are not defined, but need to be. It is necessary to define additional terms and be consistent to avoid the problems of ambiguity. . . Some of the terms, even when consistently defined, are used inconsistently or in an ambiguous manner. We recommend the following changes for clarity and consistency. . . Suggestions for technical and other improvements. . . Thank you for the opportunity to share our concerns. We respectfully request the Committees to consider our comments.'

"However, none of the suggested amendments were taken up in the subsequent draft and approved by this Chamber. Again, why are we concealing our policy? What is the House position? Do we have one?"

"Mr. Speaker, all of this, the public hearings, invitations and solicitations for commentary from the Department of the Attorney General, simply means that weeks have passed, maybe more than a month, and yet we are still without a clear understanding of the new terms we are seeking to fashion in a new section of the Hawaii Revised Statutes. Moreover, the Attorney General himself has repeatedly 'red flagged' for us and made clear through his deputy attorney generals a warning or concern over the imprecise, and in some places, inconsistent or contradictory language and resulting ambiguity. Not fixing obviously less than clear plain text errors and terms of legal importance leaves me indifferent to the present draft and uncomfortable with where we are heading. That we would do so repeatedly and even at Third Reading on the First Cross and then again on the Second Cross leaves much to be desired. Why we would not seek to better define and clarify our clear intentions on meaning of what we envision or aspire to establish is a curious thing indeed.

"PART II: Will low THC/high CBD (cannabidiol) be available and affordable for our families and children?

"Mr. Speaker, in addition to those drafting and legal deficiencies in the present draft is my deep concern that the current draft and all prior drafts have not articulated a policy that will provide the meaningful, accessible, and affordable medical marijuana product that patients like that young girl from Mililani and similarly situated families desire and may well need. Indeed, my research of the present day practices of medical marijuana dispensaries and the lines of product they commonly carry and sell may suggest that the low THC and high CBD medicinal marijuana product may be either unavailable or unaffordable. A review of the medical marijuana registration data from the Department of Public Safety, December 2014, reveals the following:

Debilitating Medical Conditions for Medical Marijuana		
Medical Condition	#	%
Severe Pain	9,228	66%
Multiple	3,833	28%
Malignant Neoplasm (Cancer)	219	2%
Persistent Muscle Spasms	179	1%
Glaucoma	130	1%
Severe Nausea	130	1%
Seizures	88	1%
HIV/Aids	79	1%
Cachexia/Wasting Syndrome	51	0%
Total	13,937	100%

State of Hawaii, Department of Public Safety, Medical Marijuana Program, December 31, 2014

"As such, according to the data on cardholders in Hawaii covering the past 14 years, less than 1% of all patients have been issued a card for the disabling epileptic condition. Most on the other hand have been issued a card for severe pain (66%) or multiple symptoms (28%). This means that very few of the potential dispensary customers may be seeking to purchase a specialized low THC and high CBD product for their certified ailments. This fact is important when one considers the traditional free marketplace

approach being contemplated in both House and Senate drafts, whereby the sellers and buyers themselves and supply and demand will dictate both product and sale price. This concerns me deeply. Honestly this is the 'stuff' that keeps me up at night. For how would an unregulated market-based production and retail system provide a specialized medical marijuana product for such a small consumer base? Who is going to set aside shelf space for a product that is ostensibly desired by less than 1% of consumers? How would the business justify it to their investors? Would it be a form of 'loss leader' product to generate good will and promotion of other items? Would it be merely a form of business loss and hence a deduction for business and tax purposes? And what, if any, would be the legal or regulatory mechanism should the market and licensed operators choose not to provide the low THC and high CBD product due to traditional corporate business constraints and well established black letter law precepts regarding profit and best business decision rules? Keep in mind that a type of butane hash oil ("BHO") produced in Colorado and sold in both medical and recreational dispensaries goes for about \$1,100 an ounce or about 28 grams. But, this is a product that has a high THC level of 70-90% and very low or mere traces of the CBD substance. Who and what business would then be interested in manufacturing a product that would be 180 degrees different and contain a very low THC level of less than 0.3% or about three tenths of one percent THC and a CBD content of about 0.9% or more? And, even if they did, would they sell the product for less than \$1,100 an ounce?

"Mr. Speaker, let us consider a hypothetical example of a young child weighing 50 pounds and who needs an average amount of about 250 mg of CBD oil per day. This would entail about a quarter of an ounce of CBD oil every month, or about \$275 every month or about \$3,300 a year. I would imagine that in many households, \$3,000 is a lot to spend a year on one form of medication. Mr. Speaker, let us also consider the plight of a man with ALS or Lou Gehrig's disease. Assume this hypothetical victim weighs 150 pounds. He may need at least three times the amount of a 50 pound child for this incurable debilitating disease or about 750 mg/day. That means he may need to purchase about three-quarters of an ounce every month, or about \$825 every month or about \$9,900 a year. Again, there is presently no insurance coverage for medical marijuana purchases and costs. Therefore, I am very concerned whether this specific type of medicinal marijuana product would be available and affordable for families of humble or simple means. Many of the families in Wahiawa and Whitmore Village would be hard-pressed to afford this monthly or annual cost. A medical marijuana dispensary may provide no remedy for these types of sick persons and afford no additional relief.

"Yes, Mr. Speaker, these are the kinds of issues that keep me up at night and drive me to find some assurances for these families and patients, especially the young and the old, with severe and life threatening conditions that heretofore have not been addressed by traditional treatment protocols and may not be addressed in our current draft to establish a medical marijuana dispensary code and business enterprise. How many of us know how much marijuana may be used to create just one ounce? How much of what strain? How much of what solvent? And, at what cost? Based on my research, it may take over 10 pounds to produce one ounce of marijuana oil with low THC and high CBD levels. How would that formula and conversion rate transfer into the for-profit marketplace? Will it be affordable? Can the children and families afford to purchase it? Are we establishing a marketplace that serves only the needs of the well-to-do who can purchase their medical marijuana? Are we setting up a for-profit enterprise for our citizens that is able to manufacture its own kind of 'orphan drug' like the multi-national pharmaceuticals and withhold it from sale and availability based upon a business decision?

"To this end, I have been speaking to many in our community and within these Chambers to not forget these patients whose sincere and earnest goals of acquiring safe and effective medicinal marijuana medicines cannot be through the mere hope or prayer that the marketplace or good will or compassionate corporate citizen will see fit to provide the low THC and high CBD product at a price and quality for those who seek and may need this specific type of medical marijuana. I am not satisfied, nor will I sit idle without putting up some resistance to a new policy for all Hawaii that does not seek to even address and help the most needy and powerless, all the while encouraging and assisting those whose true goals have little to do with compassionate health services or serving the interest of the sick

and diseased, but an unabashed display of unbridled interest in money and profiteering.

"And, this is important and worth taking note, we can insist and subject to license and permission to do business in Hawaii upon specific and limited requirements. This is not rocket science. This is not unconstitutional. And, this is not a hard thing to do. Never forget that the State of Hawaii, in establishing its medical marijuana program over 15 years ago and even now contemplating the creation of a commercial and regulated dispensary law, is still doing so under the current 'hands-off' policy of the current U.S. Administration, and the current law approved back in the 1970s still makes marijuana possession and use a federal offense. That is, although I think it should not be, marijuana remains a Schedule I drug and it is still illegal under the Controlled Substances Act. Consequently, many of the traditional issues and concerns regarding interstate commerce or federal preemption or due process may not be relevant in us providing further protections for our citizens under our customary regulatory and police powers. But this current federal legal status – or as some would describe as a 'quagmire' for marijuana enterprises – is the means by which Hawaii has the full measure to restrict and/or impose any and all requirements upon a business seeking to do 'legal' business in Hawaii, during which time the Federal government finds said businesses to still be an 'illegal' drug enterprise. As such, I humbly suggest that the consumer advocates and those pushing towards a medical marijuana dispensary system and all potential licensees be required to produce safe and affordable medical marijuana product with a low THC level and high CBD level as the 'price of admission' to do business in Hawaii.

"Therefore, it is my sincere request and unbridled hope that the conference members take heart and bring to bear in their discussions and deliberations a policy that is reflective of Hawaii's unique culture. Let us not merely carbon copy what other states have done and merely establish medical marijuana dispensaries. Neither Arizona, Colorado, New Mexico, Rhode Island, Oregon, nor Washington have the perfect model legislation or policies. Hence, simply 'cutting and pasting' what they have is nothing to write home about. Nothing new. Nothing imaginative. And, nothing that addresses the needs of the most sympathetic and neediest of all medical marijuana patients – young children and their families. Let us not forget that we are Hawaii. Let us be inspirational and exemplary. Let us not be mediocre or merely like the other Mainland (North American) States. We are a unique people with a unique history and traditions. Let us strive for the summit and be the best. Let us – *kulia i ka nu'u* – strive for the summit!

"In close, recently I was at home in Wahiawa and tuned on the television to watch the Cable News Network ('CNN'). The show was a part of the CNN series – 'High Profits'. It was truly enlightening and reveals the greed and extreme financial interest in the medical marijuana and marijuana industry. A similar television show appropriately entitled 'Pot Barons of Colorado' running on MSNBC again dramatizes the profit motives and moneyed interest in these marijuana businesses. Both were very instructive and, although with a bias to solicit or promote acceptance of both business models, they did not fail to reveal the tremendous commercial and money interests involved.

"Indeed, even the most vocal and active proponents like the Drug Policy Alliance and NORML must accept, and even swallow their pride, in acknowledging that commercial marijuana, even medicinal marijuana, is the new 'Big Tobacco'. As such, let us understand and know that like the Tobacco industry of the past and today, they will seek to deceive, promote, addict, and sell to our young people. So, if we are willing to open 'Pandora's Box', it behooves us, at the very least, to get something for our most needy patients and their families. Experience shows again and again that only where and when the various stakeholders seek passage of a bill can we best fashion a measure that gives-and-takes among various interest groups and stakeholders. Certainly, this may be the only time conditions are ripe to make sure we protect our consumers and advantage our local residents over and ahead of any and all outside influenced interest and profiteers. Remember, Big Tobacco has come back as Big Marijuana with all the bells and whistles and means to push its product on especially the unsuspecting youth and under privileged communities.

"Mr. Speaker, thank you again for the opportunity to submit these comments and to explain my serious reservations on SB 682. By reference I also include my previous remarks entered into the Journal on HB 321, HD 1 - Session Day 19: February 20, 2015; HB 321, HD 1, Session Day 25: March 10, 2015; and SB 682, SD 2, HD 1, Session Day 36: March 27, 2015, as they remain relevant to the current status of SB 682, and offer possible solutions to the numerous unsettled and even contemplated policy choices.

"And, as always, I stand willing and able to provide any and all of my time and interest to fashioning a new public policy declaration that best serves the needs of all of Hawaii's people. *Mahalo Nui.*"

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

Representative Fukumoto Chang's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 682, SD 2, HD 1. This bill is the culmination of the extensive efforts of many individuals, and the recent amendments by the Chair are much appreciated. By adding language regarding increased licensing requirements and the phasing out of the caregiver's ability to grow, we move further in the direction of effectively treating medical marijuana as a medicine.

"As we move forward into conference, I stand in support of furthering the efforts to offer Hawaii citizens a legal way to obtain the medicine they need and encourage further consideration of additional regulations that we can enact.

"1) Regulated dosage and testing:

- The different cannabinoid compositions, many without the psychoactive components of THC, along with the levels found in different cannabis plants, should be assessed and regulated for the appropriate medicinal use. This practice can guarantee the quality of medicine dispensed as well as proper dosing, which ensures that medications will fit a patient's specific needs.
- Colorado has realized the need for such testing in their marijuana industry and just a year ago passed potency and consistency testing requirements because heavy metals, butane, fungi and other such impurities were found on buds, as well as a 3-fold increase in THC potency over buds from 30 years ago. Many strains were also very low in CBD, which is most helpful for many medical conditions.
- Washington mandates testing as well, including for contaminants, moisture and microbiology.
- These kinds of inconsistencies would be detrimental to Hawaii medical marijuana patients, and we have the chance to regulate this for their benefit now, before negative effects occur.

"2) Cost of Dispensaries:

- In state after state (CT, ME, CO, WA, OR) that has instituted medical marijuana dispensaries or legalized recreational marijuana, the black market has grown stronger. One reason is discrepancies in price.
- Due to licensing fees, taxes on the product, and operating costs, the price of obtaining legal marijuana is simply not competitive with obtaining illegal marijuana, and as a result, even those who want to purchase the product legally are moving back to the black market for budget reasons.
- In Connecticut, a state with a system similar to our proposed system, obtaining medical marijuana comes with a price of \$500 to \$600 an ounce; on the black market, it costs only \$340 an ounce. In Washington, medical marijuana costs \$40.75 for 1/8 of an ounce, compared with \$29 on the black market.

- Patients want to be able to purchase their medicine legally, but if it comes at the cost of their mortgage, or utilities, or food, citizens may still engage in illegal activity.
- With the high cost of living in Hawaii, this disparity in price could completely undermine the intent of setting up dispensaries. So, as we're deciding how to price licenses, we should keep that under consideration.

"Let's do this right, and learn from the lessons our fellow states are learning now. We need to offer safe, effective medicine to our citizens at a price they can afford. We need to ensure that we're creating dispensaries to help people, not for-profit corporations or our state general fund. For these reasons, I stand in support of SB 682, SD 2, HD 1, but I look forward to continuing to improve the measure as we move forward. Thank you, Mr. Speaker."

Representative Tokioka 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. 682, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Third Reading by a vote of 42 ayes to 9 noes, with Representatives Cachola, DeCoite, Ichiyama, Johanson, Jordan, Kawakami, Matsumoto, Oshiro, Pouha, Tokioka and Tsuji voting aye with reservations, and with Representatives Aquino, Choy, Cullen, Har, Kong, McDermott, Tupola, Ward and Yamane voting no.

At 1:19 o'clock p.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1028, SD 2, HD 1
S.B. No. 1338, SD 2, HD 1
S.B. No. 1174, SD 2, HD 2
S.B. No. 1291, SD 2, HD 2
S.B. No. 682, SD 2, HD 1

THIRD READING

S.B. No. 226, SD 2, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 226, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ABUSE OF FAMILY OR HOUSEHOLD MEMBER," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Tupola voting no.

S.B. No. 265, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 265, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SEX TRAFFICKING," passed Third Reading by a vote of 51 ayes.

S.B. No. 148, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 148, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NUISANCE ABATEMENT," passed Third Reading by a vote of 51 ayes.

S.B. No. 1183, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1183, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE LAND MAMMAL," passed Third Reading by a vote of 51 ayes.

S.B. No. 1134:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1134, entitled: "A BILL FOR AN ACT RELATING TO THE ESTATE AND GENERATION-SKIPPING TRANSFER TAXES," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Choy voting no.

At 1:20 o'clock p.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 226, SD 2, HD 1
S.B. No. 265, SD 1, HD 1
S.B. No. 148, SD 1, HD 1
S.B. No. 1183, SD 1
S.B. No. 1134

S.B. No. 1212, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1212, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDING OR REPEALING VARIOUS PROVISIONS OF HAWAII TAX LAWS FOR THE PURPOSE OF DELETING OBSOLETE OR UNNECESSARY PROVISIONS," passed Third Reading by a vote of 51 ayes.

S.B. No. 159, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 159, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF NON-GENERAL FUNDS," passed Third Reading by a vote of 51 ayes.

S.B. No. 254, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 254, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," passed Third Reading by a vote of 51 ayes.

S.B. No. 1133, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1133, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Third Reading by a vote of 51 ayes.

S.B. No. 1312, SD 1, HD 1:

Representative Saiki moved that S.B. No. 1312, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

Representative Fukumoto Chang 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 S.B. No. 1312, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Third Reading by a vote of 51 ayes, with Representative Fukumoto Chang voting aye with reservations.

At 1:22 o'clock p.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 1212, SD 1
S.B. No. 159, SD 1, HD 1
S.B. No. 254, SD 1, HD 1
S.B. No. 1133, SD 1, HD 1
S.B. No. 1312, SD 1, HD 1

S.B. No. 544, SD 1, HD 1:

Representative Saiki moved that S.B. No. 544, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and S.B. No. 544, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NATURAL RESOURCES," passed Third Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

S.B. No. 555, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 555, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX CREDITS," passed Third Reading by a vote of 51 ayes.

S.B. No. 676, SD 2, HD 1:

Representative Saiki moved that S.B. No. 676, SD 2, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Please note my strong reservations on this, Mr. Speaker."

The motion was put to vote by the Chair and carried, and S.B. No. 676, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CAPITAL INFRASTRUCTURE TAX CREDIT," passed Third Reading by a vote of 47 ayes to 4 noes, with Representative Jordan voting aye with reservations, and with Representatives Choy, Ichiyama, Kong and Takayama voting no.

S.B. No. 1297, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 1297, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES," passed Third Reading by a vote of 51 ayes.

S.B. No. 101, SD 1, HD 1:

Representative Saiki moved that S.B. No. 101, SD 1, HD 1 pass Third Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Reservations, because it appears that there's going to be a reduction in the funds that are going to prevent smoking in our state, and I just wanted to note, Mr. Speaker, 1,400 people die from tobacco use or exposure in Hawaii each year. And the really important thing is to stop the 5,600 kids in Hawaii from smoking for the first time each year. When they do start, as a result, 1,400 of them become hooked on tobacco, and there's also an increase in those using e-cigarettes as well. I just think we need to keep a real strong approach on this because we have a good track record so far, so we don't want to diminish any of our efforts. Thanks."

The motion was put to vote by the Chair and carried, and S.B. No. 101, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," passed Third Reading by a vote of 49 ayes to 2 noes, with Representative Thielen voting aye with reservations, and with Representatives Har and Oshiro voting no.

S.B. No. 250, SD 1, HD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, S.B. No. 250, SD 1, HD 1, entitled: "A BILL FOR AN ACT

RELATING TO FEDERAL FUNDS," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives McDermott and Tupola voting no.

S.B. No. 1299, HD 1:

Representative Saiki moved that S.B. No. 1299, HD 1 pass Third Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and S.B. No. 1299, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives LoPresti, Oshiro, Say, Thielen and Tupola voting no.

At 1:26 o'clock p.m., the Chair noted that the following bills passed Third Reading:

S.B. No. 544, SD 1, HD 1
S.B. No. 555, SD 1, HD 1
S.B. No. 676, SD 2, HD 1
S.B. No. 1297, SD 1, HD 1
S.B. No. 101, SD 1, HD 1
S.B. No. 250, SD 1, HD 1
S.B. No. 1299, HD 1

At 1:27 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:27 o'clock p.m.

ANNOUNCEMENTS

Representative LoPresti: "Just two brief announcements, Mr. Speaker. I just wanted to note that today is the 150th anniversary of the assassination of President Abraham Lincoln. I didn't think that should go without notice.

"Secondly, I just want to note that today is Equal Pay Day for women. We have still a huge pay gap for women. In the 1960's it was 68% a woman would earn to what a man earns. Today it's about 78%. We have a long way to go. In 50 years we've only come 18%, and I didn't think that should go without notice either. Thank you."

Representative Evans: "Thank you, Mr. Speaker. I'd like to comment also on Equal Pay Day. This is the time of year when the wages of a woman, it takes that long into the year before we now are equal with men. As a matter of fact, we're fortunate to live in Hawaii because it's moving towards pay equity. Hawaii ranks 7th out of 50 states in earnings ratio. In Hawaii, full time women workers get paid 83% of what men make in median annual earnings. But even with a larger percentage of earnings here in our state, women cannot afford to earn less than men.

"The gender pay gap affects women from all backgrounds of all wages and all levels of educational achievement. There is gender inequality based on women's race and ethnicity. In a report conducted by the American Association of University Women, titled 'The Simple Truth About the Gender Pay Gap', Hispanic, American Indian, African American, and Native Hawaiian women had low median annual earnings compared with non-Hispanic white and Asian American women. In that same report it is mentioned that a woman's age also has to do with pay and equity. Full time women workers between the ages of 20 to 24 get paid 90% of what men were paid weekly, but women ages 55 to 64 were paid only 77% of what their male peers were paid.

"Some people may think that receiving a higher education will be an effective tool for an increase in earnings, but it is not an effective tool against the gender pay gap. White women are paid more than African American and Hispanic women at nearly all education levels. Wage inequality has consequences. It is more than a women's issue, it is a family issue. Recent research has shown that about 40% of households with

children include a mother who is either the sole or primary earner for her family. With pay discrimination, the life choices made by women are greatly affected. Lower pay makes it harder for women to save up to buy homes and to pay for further education.

"Wage inequality is real. It's a negative aspect to a country who prides itself for fairness and opportunity. Women make up nearly half of the US labor force, and women are also in positions traditionally occupied by men. A person's ethnicity, age and gender should not be a factor in the amount they get paid, especially if the same work is being done. Equal pay for equal work, we deserve it. Thank you."

Representative Ward: "Mr. Speaker, speaking of pay equity. There's two things we have to do as Americans. Death and taxes. Tomorrow is the day that we live by paying our taxes. Tomorrow is April 15 when we pay Uncle Sam. Just as a reminder, because I haven't finished mine and I'm sure some others haven't also. Thank you."

Vice Speaker Mizuno: "The Chair would be remiss if, with your kind indulgence, I'd like to just thank the entire Body, Speaker Souki. I think if two words can define today's Second Crossover, that would be 'efficient', and everyone's Floor speeches were done in 'respect'. It wasn't too personal. So I want to thank this entire Body. How about giving yourselves a hand. Great job."

COMMITTEE REASSIGNMENTS

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

<u>S.C.R.</u> <u>Nos.</u>	<u>Re-referred to:</u>
8, SD1	Committee on Finance
9	Committee on Finance
10	Committee on Finance
11, SD1	Committee on Finance
12	Committee on Finance
55, SD1	Committee on Finance
71, SD1	Committee on Public Safety, then to the Committee on Finance
136, SD1	Committee on Finance
156, SD1	Committee on Higher Education

ADJOURNMENT

At 1:34 o'clock p.m., on motion by Representative Evans, seconded by Representative Tupola and carried, the House of Representatives adjourned until 12:00 o'clock noon, Thursday, April 16, 2015.

HOUSE COMMUNICATIONS

House Communication dated Tuesday, April 14, 2015, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has disagreed to the amendments made by the Senate to the following measures:

H.B. No. 87, SD 2
H.B. No. 271, HD 2, SD 1
H.B. No. 279, HD 2, SD 1
H.B. No. 393, HD 2, SD 2
H.B. No. 500, HD 1, SD 1
H.B. No. 589, HD 1, SD 1
H.B. No. 770, HD 1, SD 1
H.B. No. 1099, HD 2, SD 2
H.B. No. 1272, HD 2, SD 2
H.B. No. 1297, HD 1, SD 1

"April 14, 2015

Governor David Ige
State of Hawaii
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Dear Governor Ige:

In accordance with the provisions of Article XVII, Section 3 of the Hawaii State Constitution, written notice is hereby given of the final form of the following Senate Bill, a copy of which is attached hereto:

S.B. No. 143, SD 1, HD 1, entitled:

"PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO CHANGE THE THRESHOLD VALUE IN CONTROVERSY REQUIREMENT FOR JURY TRIALS IN CIVIL CASES AT COMMON LAW FROM \$5,000 TO \$10,000."

Said measure passed Third Reading in the House of Representatives on this date.

Respectfully,
/s/ Brian L. Takeshita
Brian L. Takeshita
Chief Clerk
House of Representatives

Enclosures

CC: Carol Taniguchi, Clerk of the Senate
Scott Nago, Chief Election Officer"