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HOUSE OF REPRESENTATIVES

REGULAR SESSION OF 2015

ROUGH DRAFT
JOURNAL

FIFTY-NINTH DAY
MAY 5, 2015

OFFICE OF THE CHIEF CLERK

BT

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FIFTY-NINTH DAY

Tuesday, May 5, 2015

The House of Representatives of the Twenty-Eighth Legislature of the State of Hawaii, Regular Session of 2015, convened at 9:08 o'clock a.m., with Vice Speaker Mizuno presiding.

The invocation was delivered by Ms. Sheila Pacariem of Representative Ty J.K. Cullen's office, after which the Roll was called showing all Members present with the exception of Representative Ing, who was excused.

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

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 237 and 1122 through 1128) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 237, dated May 1, 2015, informing the House that the Hawaii Government Employees Association (HGEA) and the public employers have executed a supplemental agreement concerning Collective Bargaining Unit 8 (Personnel of the University of Hawaii other than faculty) Employer-Union Trust Fund contributions, and transmitting proposed amendments to S.B. No. 1083, SD 1, HD 1.

Gov. Msg. No. 1122, informing the House that on May 1, 2015, the following bill was signed into law:

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." (ACT 022)

Gov. Msg. No. 1123, informing the House that on May 1, 2015, the following bill was signed into law:

S.B. No. 1134, entitled: "A BILL FOR AN ACT RELATING TO THE ESTATE AND GENERATION-SKIPPING TRANSFER TAXES." (ACT 023)

Gov. Msg. No. 1124, informing the House that on May 1, 2015, the following bill was signed into law:

S.B. No. 1141, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION." (ACT 024)

Gov. Msg. No. 1125, informing the House that on May 1, 2015, the following bill was signed into law:

S.B. No. 1118, SD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR HAZARD EVALUATION AND EMERGENCY RESPONSE PREPAREDNESS." (ACT 025)

Gov. Msg. No. 1126, informing the House that on May 1, 2015, the following bill was signed into law:

S.B. No. 1098, SD 1, entitled: "A BILL FOR AN ACT RELATING TO LIBRARIES." (ACT 026)

Gov. Msg. No. 1127, informing the House that on May 1, 2015, the following bill was signed into law:

S.B. No. 729, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES." (ACT 027)

Gov. Msg. No. 1128, informing the House that on May 1, 2015, the following bill was signed into law:

S.B. No. 114, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTISTRY." (ACT 028)

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 695 and 696) were received and announced by the Clerk:

Sen. Com. No. 695, dated May 1, 2015, informing the House that the following bills have this day passed Final Reading:

H.B. No. 287, HD 1, SD 1, CD 1
H.B. No. 858, HD 2, SD 2, CD 1
H.B. No. 1075, HD 2, SD 2, CD 1
H.B. No. 119, HD 2, SD 1, CD 1
S.B. No. 1049, SD 1, HD 1, CD 1
S.B. No. 878, SD 1, HD 1, CD 1
S.B. No. 419, SD 2, HD 1, CD 1
S.B. No. 1096, SD 1, HD 2, CD 1

Sen. Com. No. 696, dated May 1, 2015, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

H.B. No. 321, HD 1, SD 2	Senate Conferees Changed: Senator Ihara added as Conferee. Senator Green discharged as Chair. Senator Espero discharged as Co-Chair; Added as Chair.

INTRODUCTIONS

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

Representative McDermott introduced Luke, the inspiration for Luke's Law, and his mom, Geri Pinnow.

Representative Matsumoto introduced her intern, Valentyna Vizir from the Ukraine.

Representative Belatti introduced Anya's mom, Michelle Pestel-Maga, the inspiration for Anya's Law.

Representative Kawakami, on behalf of the Kauai Delegation, introduced Paulette Phillips, Ben Viernes and Aunty Gini Kapali.

Representative Jordan introduced former Representative Karen Awana.

Representative Hashem introduced members of the West America Turkic Council: Ozkur Yildiz, President; Emrah Erduran, Hawaii Director; Melik Syain, Calligraphy Artist; Sedat Eren, Zuma Housing President; Fevzi Oten, Investor, California Turkish American Chamber of Commerece; and Tezcan Inanlar, Pacifica Institute Representative.

Representative Cullen introduced the parents of Sheila Pacariem: Maria and Rodney Sabado.

Representative Lowen introduced her Office Manager, Anna Kelly.

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 House and Senate Bills for Final Reading by consent calendar. (Representative Ing was excused.)

UNFINISHED BUSINESS

Conf. Com. Rep. No. 101 and H.B. No. 500, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 500, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Mr. Speaker, I rise to speak in support of House Bill 500, House Draft 1, Senate Draft 1, Conference Draft 1.

"Mr. Speaker, as you know, the budget together with the appropriation bills play a significant role in the financial plan. How we manage the financial plan will in turn impact economic stability within our state.

"But before I discuss the budget and the financial plan, I wanted to talk about the last few days of conference last week. One day, I think it was Friday afternoon, I was in one of the conference rooms listening to the discussion between the House and Senate conferees, probably distracted by the outfits and the hat wearing of conferees as well, and I sat down and I looked down at my desk, and instantly my packet of information appeared with a new notice that just got done because we had another conference the day before, and my name plate appeared.

"And I think it was at that moment in the craziness of conference and the hustle and bustle of conference, I was awestruck by the amount of work our staff puts in to make sure that conference is smooth and easy as possible for all of us. They deal with all the logistics so that we can concentrate on the various issues at hand. The conference notices are updated hundreds of times, if you count up all the conference notices. Somehow the right people show up at the right rooms, unlike last year. But this year everybody showed up at the right rooms, and even the people in the public and people who are interested in the bills all seemed to know where to show up at the right place. And we can't even count the huge number of conference drafts that had to be drafted in such a short amount of time. You think of all that, it's just mind boggling.

"So all in all, it was as if the entire Legislature and the testifiers and the people involved were just in warp speed, amped up, working beyond what was humanly possible, but doing so in unison and in somehow a beautiful controlled chaos. I am deeply humbled that I was a part of that. So at this point in time we should recognize the drafting agencies, the House majority and minority staff, Sergeant-at-Arms, Clerk's Office, and everyone in our individual offices. If they're in the audience, if all of you guys could represent all these people who put the various bills together, make sure we're in the right room. If you guys could all stand up and we could give them all a round of applause.

"Minority staff stand up, stand up, majority staff. Sergeant-at-Arms guys are already standing up, so Takeshita stand up, Takeshita, Rupert. Because if we kind of take a moment back and we think about all the things we do, for the most part, a lot of us we just have to show up. But these folks are the ones who make sure that things get done right and somehow we are able to finish on time, except one of course, which we'll be talking about Thursday, but that's an exception. But for the most part, we deal with hundreds of bills, and I was just thinking last week, I just can't thank these folks enough. So thank you very much.

"Mr. Speaker, at this time, I would like to introduce, of course, the Finance staff. For the Research section led by Randall Hiyoto, stand up please. And then Randall, he always has a really great demeanor, even if we make jokes or we talk about strange things he just sits there with a stone face, and that's the kind of person I need on the research side. And his right hand person is Stacey Tagala, but I don't see Stacey. And with the Research section it's Erin Nakashima, if I call your name please stand up, Julian Downey, Matthew Yasuda, Jennifer Trujillo. And these folks made sure that they were there at the Finance bills, and if you could give these folks a round of applause. Thank you.

"The Budget section is led by Albert Vargas. And Albert is really the glue, and he has to deal with all kinds of personalities and he has to be the referee sometimes between the departments and the analysts and the legislators. So Albert, I count on him a lot. And with him is Derek Shigano, he was also the CIP specialist. Aldric Ulep, Courtney Gill, Jonathan Morris, Matthew Tsujimura, he's in law school right now so he had to go to class, and Donovan Lim, this is his second time. So if we could give these folks who worked really hard on the budget a round of applause. Thank you for your hard work.

"And of course the front office who has to deal with all types of interesting things that come up during session, so they're led by Julie Yang, my Office Manager. Jo Hamasaki, who never comes to these things, hiding somewhere but I'm sure he's listening, Morgan Mellinger, Kim Duong and Melanie Uchima. And these folks have to deal with a lot of the issues that come up in the front office."

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

Representative Luke continued, stating:

"And of course all these folks are led by my right hand person who I can't do anything without, is Nandana Kalupahana. He's right there. And he's very sick right now so nobody get close to him. I've been telling the entire staff, they've all been sick for the last couple weeks but I've been telling them just hold on, take a lot of vitamin C, so I know I abuse them a lot but I really appreciate every one of them. Every year I think, OK, this group is special, but this group is special, until next year I'm going to say that group is special, but as long as you know what you are getting into. So if they could all stand up one more time because the countless hours that they put in to put the budget and the bills together is just priceless. So if we could give all of them a round of applause again. Thank you.

"I would also like to thank Chair Tokuda for her diligence and intelligence for helping to put this budget together, and recognize her staff led by Calvin Azama, and we're all very familiar with Calvin, Kendra Oishi, also a familiar face, and Nora Graham, who was my former staff, so once my staff always my staff, so I know I had the inside track on the Senate side as well.

"I want to acknowledge the members of the Finance Committee and the WAM Committee for their hard work as well, and I appreciate them sharing their thoughts and concerns with me as we deliberated. Especially the freshman members on the committee, I know it was a big learning curve, but they caught on quickly and shared a lot of their thoughts with me, so I do appreciate that.

"I would like to thank Representative Yamashita and his counterpart, Senator Kouchi, for their work on the CIP budget. This year we were tasked with limiting the amount of CIP authorizations. It's a difficult task to set priorities while limiting the debt service we are obligated to pay.

"The CIP authorization for the next biennium is $423 million less than what has been authorized in the recent past. According to economic reports at the beginning of session, the construction industry has now stabilized in the private sector, anticipating growth in both residential and commercial areas in the next couple years. As such, it is fitting to decrease the State's CIP authorizations. The State cannot ramp up CIP projects when the construction industry is doing well, because that will result in a glut of construction projects, causing strain on the workforce and driving up both material and labor costs, making construction substantially more expensive for both private and public sector. In order to stabilize that, the Legislature has held down the CIP authorizations. And I think that because Sub-Chair Yamashita believes in this as well and he worked to keep the authorization at a stable level, so I really appreciate the work that he did. So if we could give him a round of applause.

"I would also like to thank the GIA Sub-Chair, Representative Cullen, for his hard work. This year, he vetted over 280 GIA applicants. Every year we always talk about how the budget is tight, but somehow the numbers keep rising every year. He did his due diligence on all of the applicants and had many contact with them to assess what the true needs were. He went above and beyond what the role required. I have the utmost trust and faith in the GIA Chair, and I thank him again for his great work. It's always difficult to say no to so many good causes. Representative

Cullen did his job with compassion and fairness. So if we could give him a round of applause."

Representative San Buenaventura rose to yield her time, and the Chair "so ordered."

Representative Luke continued, stating:

"Mr. Speaker, again, it wouldn't be right for me to talk about the budget without also discussing the financial plan, since the budget is just a portion or a piece of the puzzle in the financial plan. As some of the Members know, the ending balance for Fiscal Year 2015 is $628.5 million. However, by 2017, two years from now, we are projecting an end balance of $362.1 million, and we haven't even anticipated all the collective bargaining raises at that point yet. So how do you grow the economy in the short run to sustain what we enjoy today?

"First, we need to limit growth in the budget. We did that, and I'm proud to say the Finance Committee worked hard to do that as well. The budget is essentially comprised of collective bargaining and fixed costs, with certain investments in education and Medicaid. But of course, that alone is not enough. For the last three years, the Finance Committee has made systemic changes that will significantly improve transparency and increase accountability through managing vacancies, creation of vacation payout funds, and transitioning special funds to general funds, which all lead to better budgeting. I would like to thank the many departments, that I know I probably traumatized, that worked cooperatively with us as we implemented these changes. And a lot of these changes, it's hard to have change but the departments were willing at the end to come along. Because they knew what we were trying to do and they knew it would lead to better budgeting, so I want to thank them.

"Second, we provided controlled tax credits spread out among different industries to fuel economic growth. For instance, for the high-tech industry we have the SBIR program in House Bill 1069, which we funded at $2 million in Fiscal Year '16, which will provide competitive funds for local companies ready to evolve and thrive here at home.

"The alternative energy R&D will get a boost of $1 million in House Bill 1513, which will match Naval research money being spent in Hawaii with grants provided by HTDC.

"The energy industry will get additional support through $3 million renewable energy production tax credit in Senate Bill 349, and will help ensure greater energy security and a more self-sufficient State of Hawaii.

"The manufacturing industry will be supported through a one year grant program, capitalized by $2 million controlled by HTDC in Senate Bill 1001. These credits are meant to spur economic activity in concentrated areas to spur economic growth.

"Thirdly, we invested in people who need our help the most. We increased the food tax credit in Senate Bill 555, totaling about $6.7 million per year. Also we helped the elderly through an increase, $3 million in additional funding for Kupuna Care, and we continued our commitment to early childhood education by prioritizing $6 million for the Preschool Open Doors programs through Senate Bill 64.

"Lastly, the Legislature continued its commitment to reduce the State's unfunded liability by paying $163,615,000 in 2016 and $245,812,000 in 2017. And even with that, we were able to balance the budget and have a solid financial plan. In addition to that, although a meager amount, the Legislature has also set aside $10 million in rainy day fund in Senate Bill 1312.

"Mr. Speaker, controlling growth of the budget, strengthening economic drivers, and investing in the future will ensure stronger economic growth in the future and in the State. I am proud to present this budget and the sustainability of our overall financial plan. Thank you."

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

"Mr. Speaker, I stand in support with reservations. And I first want to thank the Finance Chair for all of her hard work, and the committee. I know it's a very difficult job to do, but, Mr. Speaker, my concern is we have a situation, exigent circumstances, and that is Campbell High School. Campbell High School was built for 1,800 students, and today they have 3,000. There are no classrooms to put these kids. The teachers don't have rooms. And the committee is aware of this. And in three years, they expect 3,500 students. There is no West Oahu High School. There is nowhere to put these children. There's nowhere to put them. We haven't planned for that.

"This is not a partisan issue, I can assure you, because I'm not the only one who cares strongly about this. My colleague from Ewa Beach I know cares just as strongly as I do. We have a situation where there are no classrooms for teachers to call their own, which undermines their morale.

"So, Mr. Speaker, I appreciate all the hard work and the talk about priorities, but when we spend $9 million for a performing arts center when we have a campus that kids don't have classrooms in, I say, what kind of priorities are these? When we spend $1.2 million for a recording studio and we don't have portables for these kids, I say, what kind of priorities are these, Mr. Speaker?

"In fact, we all know about the air conditioning issue. We used to say that the kids learned in ovens, it was so hot. Now we've gone away from that because quite frankly there's not enough ovens to put the kids in. And we're not dealing with it today. Now, we may deal with it next year, but we've lost a year in ensuring that these students have a place to learn. They have 35 to 40 kids a classroom, and it's hot. What have we done to address that? What have we done? So those are my reservations, Mr. Speaker. Other than that, I thank everyone for their hard work. Thank you."

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

"I rise in support. I feel compelled to add some comments since my colleague from Ewa Beach has spoken about Campbell High School. I, of course, share his concerns. As a newbie here I'm learning quite a lot as I go, it's a steep learning curve, and one thing I've learned is how many needs there are in various districts throughout the State. But I would like to impress upon my colleagues that while we all have certain needs, there are certain areas where there are frankly emergencies and crises. But what my colleague from Ewa Beach is talking about was one of those crises.

"Because the concentration of growth in this State has been centered on the Ewa Plain, it's been incumbent upon state government and city government to provide the infrastructure, whether its roads, or we'll talk about transit, we'll talk about rail, but also schools. And I would really hope that my colleagues do look at supporting certain areas in the State with the necessary infrastructure. We've reached out to help the people of Puna when there was a natural disaster, but when we focus growth in a certain area, we also need to concentrate on that area with infrastructure. And I think we all need to really do what is incumbent upon us to help those people in that area, because the kids are suffering, and I don't use that word lightly. They really are suffering, and we really need to do more for the people of the Ewa Plain. Thank you."

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

"I stand in support. I would urge my colleagues from Ewa to speak to our Board of Education, because Puna will not be needing the portable classrooms that were transported from the mainland because of the lava flow. I thank the Board of Education for repatriating our students from Keonepoko back to Puna, and I thank all those who stepped up to the plate to make sure that our students in lower Puna have a place to go to. But we won't be needing those portable classrooms anymore, and Ewa could sure use them. Thank you."

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

"Mr. Speaker, I rise in support with comments. Mr. Speaker, there's so many good things in the budget, we can't say enough. I've stood up and I've applauded the budget on the previous iteration regarding the money

we're going to have for the China office, Taiwan office. The way we're finally treating sister states with respect when dignitaries come here, *et cetera.*

"But I have a couple of concerns I want to bring out. The first is a technological one. I'm concerned that our 40 year old COBOL computer system is really not becoming the State of Hawaii and all of the things that we should be doing to keep our books together. I know in the budget there's $400,000 for 10 positions to get this up to speed, but remember we tried it before and we lost $12 million. We've got to do a better job, and if this $400,000 is not enough, we have to be attentive. We should not have 40 year old COBOL computing systems. Mr. Speaker, I'm concerned that while we do some things really well, that one we've neglected the same way that UH neglects its repair and maintenance. You just can't go so far, because then there's no way to get it back with any expediency.

"The second thing, Mr. Speaker, is regarding the metrics. Some of you may or may not know that the Minority Senate and the Minority House purchased a very sophisticated software to actually track budget and create more transparency. So we've been tracking all the budget items, we've been tracking appropriations. I really appreciate the Chair of Finance who said, the budget is one thing but really the financial plan of the State for the next six years is really where the rubber meets the road. And what's missing in that is about, for Fiscal Year '16 and Fiscal Year '17, about $280 million. So when we look at our robust ending balances, we have to see that there's something missing when we don't consider appropriations, and I know this budget doesn't have it in there.

"I should also point out if you look at, even though this was, quote, 'a skinny budget', according to the Star-Advertiser, if you looked at the actual numbers in terms of deficit spending, in 2016 we actually overspend by $226 million, so a skinny budget still overspent what we took in, in terms of revenues. And our Governor fortunately has said that we're spending more than we take in. In 2017 we're spending more than we take in by $129 million. Mr. Speaker, these are just the metrics. This is not a partisan barb, its saying, we've got to get our act together and make our balanced budget is a reality.

"I think the comment that came as an ancillary comment from the Chair of Finance is really the key to it, and that is we've got to grow the pie. We've got to create businesses to create jobs to create economic growth. Mr. Speaker, this Floor rarely speaks about that. We talk about spending and how we can cut and how we can slice the pie thinner, but we've got to start speaking about growing the pie.

"I would encourage the Finance Chair to have a good look at that comment that she made, because in the end, in fact if you look at 2019, Mr. Speaker, we're down to, this is where the deficit spending catches up with us, all the robust carryover goes down to a deficit $13 million in the hole. And then 2020 onward, this is where the tsunami is coming. And this is where we, for the unfunded liabilities, have to cough up $500 million per year for the next decade or so. So, Mr. Speaker, okay, right now we're in good shape, but we've got a tsunami coming and we're spending more than we take in. Having said that, it's a good budget. Thank you, Mr. Speaker."

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

"Mr. Speaker, I felt compelled to speak in favor of this budget. I'm in strong support for the budget. First of all, I want to thank the Chairman and the Committee for working so hard, and all the Members here that participated in it. It's very difficult to craft a budget that will make everybody satisfied. I know that, I have been there.

"But, however, looking at the carryover balances as we progress throughout the years, I think if you take your time and look at the financial plan, you'll find that each year the debt gets less and less. In Fiscal Year '18 we will be on the positive budget, from $191 million short, to $50 million short, and then in the plus of $52.5 million. And what this shows here is that the Committee has, at the same time in providing the badly needed services to the State, they have been reducing the net loss, the revenues over expenditures, or in this case expenditures over revenues. Each one of them has been decreasing every year through the frugalness of the Committee in trying to get the balanced budget, and at the same time taking care of the unfunded liabilities.

"So you have two major things in there that really I think you have to give credit to the Committee. From the years '18 on, you're looking at the revenues will exceed the expenses, and I think this is the gradual, make sure you're both providing the funding for the very needed programs in education, health, and *et cetera*, the unfunded liability, and still yet reduce debt every year. And for that I want to congratulate the Finance Committee. Thank you very much."

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

"Thank you, Mr. Speaker, in support. Just three quick comments. First comment in regards to priority. Adding on to what my colleagues from Ewa Beach said, I also represent that area that's booming with houses and new development, and so it would be nice to add some depth to the budget to overlay the department priorities over the way that we're spending. A way of looking at it three dimensionally in the fact that there are these priorities and this is how we're addressing it. I know that that would add further work, but hopefully there could be something easy that could help us to look at that in a way that we could know that the priorities are being addressed, and thank the Finance Chair for her and her factory of workers and all that they do, because I know it's a lot of work.

"Secondly, is in regards to a comment from my colleague from Puna. Maybe the ability for us to meet with the departments and kind of move around things that are already in existence is something we need to look into. As I meet with the superintendent from my area it's apparent that there's many facilities in DOE that could be moved around and help out other areas that need and other areas that don't need. And so I think that that's something we should look into aside from the budget, is what we can do as elected officials to try to work with the departments and move around the resources and assets that they currently have without having to appropriate additional money.

"In addition, the last comment, in regards to what my colleague from Hawaii Kai said about the old computer systems, I think that, and I just wanted to add into, maybe we should drop a few dollars for some new sound system in this place and I can wire it for you guys for free, but I think in general having something that is a little bit more up to date would be very good for the House. Thank you, Mr. Speaker."

Representative Ward rose to respond, stating:

"Still in support with just a footnote from the Speaker's comments, which are mostly apt except they're optimistic and the metrics are different than the metrics that we've come up with. So I would enjoin the Speaker to look at the budget online. The numbers don't lie, and the financial plan is the financial plan. The point is, we have to face the facts as they are.

"The second point I wanted to point out is that the real impact of the unfunded liabilities payment, we're just creeping up with a few million. When we get to $500 million in 2019, then this positive optimistic scenario is going to change, unless, Mr. Speaker, we grow the economy and create the revenues by which we can not only have the people with jobs but we can have the tax base here increasing.

"Lastly, Mr. Speaker, I request comments to be inserted in the Journal. Thank you."

Representative Ward submitted the following:

BUDGET REPORT – FY 2016-2017

Post Conference Draft Budget Report

May 4, 2015

Paul Harleman
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State Capitol, Suite 006

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Pursuant to the Executive Budget Act, the Governor is required to submit a six-year financial plan to the legislature along with a biannual budget proposal. The legislature, on the other hand, is not required to publish a financial plan upon conclusion of the final budget deliberations. Because not all appropriations are included in the budget bill, it is important that the legislature and the public understand what the aggregate general fund appropriations are for the upcoming fiscal biennium.

The following report provides a final reconciliation of all the general fund appropriations that were approved during this legislative session.

1. **Without any revenue or expenditure adjustments the current general fund deficits can only be sustained till FY 2019.**

The conference committee report for the operating budget suggest that the conference draft budget includes $97 million less appropriations than the initial governor's budget. This does not include the $148 million and $141 million in general fund appropriations for FY 2016 and 2017 that were passed as separate appropriation bills.

If all general fund appropriations are aggregated, the conference draft budget actually includes $15.7 million less general fund appropriations than what the governor asked for. The total general fund appropriations for FY 2016 and 2017 amount to $6.8 billion and $7.1 billion. This includes the executive, legislative, Office of Hawaiian Affairs, and Judiciary final budgets as well as the $148 million and $141 million in general fund appropriations for FY 2016 and 2017 that were passed as separate appropriation bills.

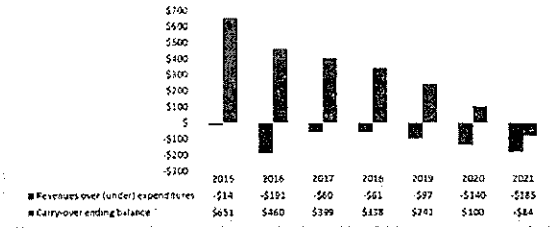
Table 1. General Fund Appropriations FY 2016-2017 (Millions)

	Governor	Conference Draft	Difference
FY 2016	$6,786.6	$6,844.3	$57.7
FY 2017	$7,162.5	$7,089.1	-$73.4
Total Biennium	$13,949.1	$13,933.4	-$15.7

Under the latest Council on Revenues projections, the current general fund appropriations exceed the available revenues. The projected deficits for FY 2016 and 2017 amount to -$191 million and -$60 million. The state is currently relying on a positive general fund carry-over ending balance to fund government operations. However, with the current deficits, the carry-over ending balances are projected to decline to $399 million in FY 2017, leaving the state in a potentially vulnerable position.

If general fund appropriations continue to grow at the current annual average of 5%, the state is projected to deplete its carry-over ending balance by FY 2021.

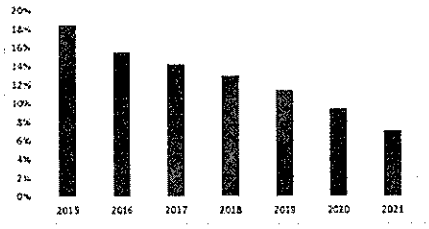
Table 1. General Fund Revenues over Expenditures (in Millions)



2. **Deteriorating fiscal reserves are alarming.**

Fiscal reserves are defined as funds that are set aside for contingency purposes. The State of Hawaii has two fiscal reserve funds, which are the Hurricane Relief Fund and the Emergency Budget Reserve Fund. Combined with the current general fund carry-over balance, the state currently has about 18% of general fund revenues set aside as fiscal reserves. This is slightly higher than the 15% that is recommended by the Government Finance Officers Association (GFOA). However, because of the proposed deficit spending the fiscal reserves are projected to decline to 13% in FY 2018.

Table 2. Fiscal Reserves as a % of General Fund Revenues



Rapidly deteriorating fiscal reserves are a sign of fiscal distress, and could negatively affect the state's bond rating if no corrective actions are taken by the legislature or the Governor. Fiscal reserves are also important because they protect the state during economic downturns. Since the 2009 recession, the state's economy has been growing steadily over the last six years. Like any economy, the state's economy is cyclical in nature and it would be prudent for the state to prepare for a downturn. Maintaining a healthy level of fiscal reserves is, therefore, a reflection of sound fiscal policy.

It is difficult to project at what specific point in time a recession might occur. However, it should be assumed that because the state economy has enjoyed growth for such an extended period, that we are getting closer to the potential of a recession. Considering the current projections, the state is not fiscally prepared to withstand an economic recession during the 2018-2021 period.

3. **Expiring collective bargaining agreements will make the next fiscal biennium very challenging.**

The expenditure growth projections that are used as part of the financial plan assume that expenditures will grow by the current growth rate, which is 5%. The growth rate is significant, because it determines whether the current budget could be sustained in the long-run. The current projections indicate that without revenue or expenditure adjustments the state is expected to remain in a deficit position.

The current positive carry-over ending balance allows the state to remain in a general fund deficit position until FY 2020, which is when the carry-over ending balances are projected to be depleted under the current scenario. The 5% expenditure growth is somewhat conservative, because of two factors. First, all collective bargaining contracts expire in FY 2017, and the 5% figure fails to account for the costs associated with restructuring those expiring contracts. Second, under Act 268, Session Laws of Hawaii 2013, the state is required to provide prefunding to pay down the accumulated $8.5 billion in unfunded liability for the Employer Union Trust Fund (EUTF).

The current budget for FY 2016-2017, includes almost $800 million in general funds for collective bargaining. In addition, to satisfy the prefunding requirement of Act 268, Session Laws of Hawaii 2013, the state's prefunding mandate is expected to increase by $82 million annually until FY 2019. Both the collective bargaining and the prefunding requirement alone are estimated to account for a 6.7% increase in expenditures, which is slightly higher than the 5% assumption that is currently used. This means that there are absolutely no funds available for discretionary budget requests. And even without the presence of discretionary budget increases, it is clear that the current budget cannot be balanced in the long term without significant revenue and/or expenditure adjustments.

ROUGH DRAFT

APPENDIX 1: Multi-Year Financial Summary – General Fund FY 2015-21 ($)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Federal funds revenues	35,753,000	36,582,000	37,005,000	37,761,000	38,537,000	39,133,000	39,795,000
Nontax revenues	691,756,000	599,103,000	603,813,000	615,585,000	622,851,000	624,925,000	627,436,000
Other revenues	88,700,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Tax revenues	5,665,633,000	5,977,213,000	6,305,993,000	6,652,821,000	6,985,462,000	7,334,735,000	7,701,472,000
Total Revenues	6,483,842,000	6,653,028,000	7,026,991,000	7,386,169,000	7,726,850,000	8,078,777,000	8,448,717,000
Executive Budget	-6,070,400,000	-6,583,714,856	-6,834,264,853	-7,175,967,396	-7,534,765,975	-7,911,504,274	-8,307,079,488
Judiciary	-146,981,559	-155,067,089	-158,182,725	-166,091,861	-174,396,454	-183,116,277	-192,272,091
Office of Hawaiian Affairs	-2,741,574	-3,217,504	-2,991,091	-3,140,554	-3,297,582	-3,462,461	-3,635,584
Legislature	-32,212,373	-32,212,373	-32,212,373	-33,822,992	-35,514,141	-37,289,848	-39,154,341
Appropriation Bills	-325,044,191	-148,060,245	-141,477,061	-148,550,914	-155,978,460	-163,777,383	-171,966,252
Estimated Lapses	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Total Expenditures	-6,497,379,697	-6,844,302,015	-7,089,128,103	-7,447,573,717	-7,823,952,613	-8,219,150,243	-8,634,107,755
Expenditure growth		3%	4%	5%	5%	5%	5%
Revenues over (under) expenditures	-13,547,697	-191,274,015	-62,227,016	-61,404,917	-97,169,613	-140,373,243	-185,390,755
Carry-over ending balance	651,252,303	460,078,289	397,851,272	336,446,355	239,276,743	169,903,499	-84,487,256
Rainy Day Reserves							
Emergency Budget Reserve Fund	182,000,000	205,000,000	252,000,000	252,000,000	270,000,000	290,000,000	308,000,000
Hurricane Relief Fund	364,000,000	366,000,000	366,000,000	366,000,000	368,000,000	368,000,000	370,000,000
Total Reserves	546,000,000	572,000,000	618,000,000	618,000,000	638,000,000	658,000,000	678,000,000
Reserves as a % of revenues	13%	16%	14%	13%	13%	9%	7%

Sources:

- State of Hawaii Executive Budget FB 15-17, "Multi-Year Financial Summary General Fund, Revised 1-3-15"
- Council on Revenues, March 12, 2015 General Fund Forecast
- Appendix 2

APPENDIX 2: General Fund Appropriation Bills – 2015 Legislature ($)

Bill Number	Description	FY 2015	FY 2016	FY 2017
HB30	Emergency Appropriation for the Office of the Governor	670,100		
SB1118 SD1	Emergency Appropriation, Hazard Evaluation and Emergency Response Preparedness	800,000		
SB1107 HD2	General Support for General Assistance Payments (HMS 204), Emergency Appropriation	2,511,822		
HB775 HD1 SD1 CD1	International Marketing and Recruitment; Higher Education, Appropriation		250,000	
HB896 HD1 SD2 CD1	Appropriations, Claims Against State	1,590,874		
SB1117 SD2 HD1 CD1	Hawaii Health Systems Corporation; Appropriation	15,000,000		
HB126 SD1 CD1	Legislative Officers and Employees, Appropriation		509,167	1,659,139
HB158 SD1 CD1	Department of the Prosecuting Attorney; County of Maui; Appropriation		150,000	
HB573 SD1 CD1	Department of Agriculture, Hawaii Good Agricultural Practices Program, Appropriation		300,000	
HB697 HD1 SD2 CD1	Auditor; Department of Accounting and General Services; Leases, Facility Assessments; Inventory, Appropriation		250,000	
HB850 HD1 SD2 CD1	CTAHR Cooperative Extension Service, Position Funding, Appropriation		350,000	
HB1060 HD1 SD2 CD1	Small Business Innovation Research Awards, Technology, Appropriation		2,000,000	
HB1332 HD1 SD1 CD1	Federal Ditch Irrigation System, Appropriation		10,000	
HB1343 HD1 SD1 CD1	Business Recovery Center, Natural Disaster, Appropriation		328,000	
HB1366 SD2 CD1	State Acquisition, Real Property; Appropriation		500,000	500,000
HB1410 HD1 SD1 CD1	Hawaii Keiki: Healthy and Ready to Learn; Department of Education, Appropriation; Matching Funds		1,000,000	1,000,000
HB1471 HD2 SD2 CD1	Invasive Species Study; Appropriation, Lapse	7,569,095		
HB1513 HD1 SD2 CD1	Alternative Energy Research, Grants; High Technology Development Corporation; Office of Naval Research Marketing Grant; Appropriation		1,000,000	1,000,000
SB61 SD3 HD1 CD1	School Readiness; Preschool Open Doors Program, Appropriation		6,000,000	
SB104 SD1 HD1 CD1	Efficiency Measures Pilot Project, Appropriation		100,000	100,000

SB118 SD1 HD2 CD1	Real Estate Investment Trusts; Dividends Paid Deduction; Income Tax; DBEDT Study; Appropriation		100,000	100,000
SB253 SD1 HD1 CD1	State Debt Management Policy; Debt Affordability Study; Established, Appropriations		100,000	100,000
SB123 SD1 HD1 CD1	Honolulu Prosecuting Attorney Package; Grants-in-Aid; Appropriation		100,000	
SB591 SD2 HD1 CD1	State Historic Preservation Division; Digitization, Special Fund, Appropriation		250,000	250,000
SB524 SD2 HD1 CD1	County of Hawaii; Prosecuting Attorney; Appropriation, Grant-in-Aid		100,000	
SB661 SD2 HD1 CD1	Unmanned Aerial Systems Test Site; Chief Operating Officer; Advisory Board; Appropriations		150,000	
SB892 SD2 HD3 CD1	Hawaii Resilience and Sustainability Strategy; Appropriation		1,000,000	
SB963 SD2 HD1 CD1	Kupuna Caucus; Kupuna Care, Appropriation		3,000,000	
SB996 SD2 HD2 CD1	Ethics, State Ethics Commission; Appropriation		130,000	
SB1001 SD2 HD1 CD1	Manufacturing, Income Tax Credit, Appropriation		2,000,000	
SB1028 SD2 HD1 CD1	Hawaii Health Connector, Appropriation		2,000,000	
SB1072 HD1 CD1	Department of the Attorney General, Emergency Appropriation	1,000,000		
SB1077 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items; Unit (2)		1,827,214	3,372,113
SB1078 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items; Units (3), (4), (14)		36,070,563	70,216,508
SB1080 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items (unit 5)		42,302,407	14,478,832
SB1081 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items; Unit (10), Unit (1)		2,809,626	2,451,182
SB1082 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items; Unit (11)		70,667	130,619
SB1083 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items; Unit (8)		920,444	1,690,226
SB1084 SD1 HD1 CD1	Appropriations for Collective Bargaining Cost Items		3,965,627	8,173,019
SB1211 SD1 HD1 CD1	Major Disaster Fund, Expenditure Ceiling; Increase, Reports, Appropriation		1,500,000	
SB1305 SD1 HD1 CD1	Appropriation, Grants-in-Aid, County of Kauai, Office of the Prosecuting Attorney		50,000	
SB1312 SD1 HD1 CD1	Emergency and Budget Reserve Fund, Appropriation	10,000,000		

HB321 SD1 HD1 CD1	Medical Marijuana; Patients and Caregivers, Protections, Certifying Physicians(5)		750,000	750,000
SB1345 HD1 CD1	Department of Education, Multi-Track Schools, Appropriation		200,000	
SB1299 HD1 CD1	Disposition of tax revenues		20,975,368	20,975,368
SB101 SD1 HD1 CD1	Hawaii Tobacco Settlement Special Fund; Budget, MSA; Tobacco Settlement		14,141,160	14,223,055
HB1366 SD2 CD1	Acquisition or development of real property		500,000	500,000
TOTAL		42,154,191	148,060,245	141,477,061

ROUGH DRAFT

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

"Thank you, in support. I'd just like to point out that the priorities in this budget are going to do a lot of good for the State and for all the people that live here. And I'd just like to point out that the priorities in this budget are decided by the strength of advocacy from Senators, from Representatives, but most of all from the advocacy we hear from the community who comes in here and testifies, who calls us, who emails us, who writes us saying, these are the priorities that are important to us, this is what we want to see. I'd just like to say thank you so much to everybody who's been involved this entire session, coming down to the Capitol and reaching out to us. Thank you."

Representative Luke rose to respond, stating:

"Thank you, Mr. Speaker. Still in strong support. I just wanted to clarify that according to the financial plan, the financial plan incorporates the $500 million that the State is obligated to pay in Fiscal Year '19, and even with that we will be looking at an ending balance of $622 million. And it's at that time, when we deal with the budget and we deal with the financial plan we're not just looking at two years down the line, we're actually looking at six years down the line. So for '16 and '17 we are looking at an ending balance of $430 and $380 million, but beginning from Fiscal '18, even with the investment of $400 million for unfunded liabilities which is already calculated into the financial plan, we'll be looking at an ending balance of $439 million, and in addition to that, that's the year we stop overspending and our revenues will exceed expenditure. Thank you."

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

"Mr. Speaker, in support. I'd like to reemphasize what Finance Chair has already said. We have very strong carryover balances, and in spite of that there has been no temptation to spend any of those cash balances for CIP. I have been here when we have spent cash CIP in the eight digits for years on end. So that shows great fiscal constraint. We recognize that on the CIP side, our state budget is leaner and meaner than probably our operating budget, and we recognize that there are many agencies that have huge CIP needs. Not only education but also hospitals, also University of Hawaii, and also DAGS. But in spite of that, we have not yielded to the temptation of going cash CIP.

"I would note that there are at least two bills that we will be voting on today that have to do with debt service and debt management. Perhaps that will give us a clear idea of where we can go in terms of CIP. But given overall the restraint of the budget, I would say that we are not only in good hands in handling future indebtedness, unfunded liabilities, but we are also in good hands in protecting ourselves for any downside risks. Sometimes when you budget you have to pay attention to upside, but always in the back of your mind you have to pay attention to downside risks, and I think this budget does both of that. Thank you."

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

"In strong support. I would like to take the opportunity to thank the Finance Chair for also appropriating funds in helping agriculture. One starting off with invasive species to protect our islands, as well as the State of Hawaii to allow me the opportunity to express on farming and its needs for agriculture and the priorities that we set forward. Like the Representative from District 17, we must grow. We must grow food so that we do not become dependent on food from outside.

"As we recognize when the Zipper Lane went down, and I would consider that a natural disaster when I've got to wait in traffic for five and a half hours, I consider that a natural catastrophe. If we were to look at our food and our food sustainability and the levels of what we're at, I thank this Body for being very supportive and listening to the needs of farming, the appropriations for ag loan program, the programs that we're starting to put back into the schools of farm to table. I would encourage that we continue to support farming, its ag districts, its conservation, and allowing us to learn to work together as farmers and supporting all farmers. Thank you."

At 9:59 o'clock a.m., Representative Luke requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:00 o'clock a.m.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 500, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 51 ayes, with Representative McDermott voting aye with reservations.

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

H.B. No. 500, HD 1, SD 1, CD 1

At 10:01 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:46 o'clock a.m.

At this time, the Chair recognized the Clerk who announced:

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 500, HD 1, SD 1, CD 1, was adopted, and said House Bill, Relating to the State Budget, passed Final Reading in the Senate at 10:29 a.m. on this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 10:35 a.m. on this day, House Bill No. 500, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

ORDINARY CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Please note that the Chair will be moving the following items to the end of the calendar. On page 10, Conference Committee Report Number 26, House Bill 888, House Draft 1, Senate Draft 1, Conference Draft 1. Also, on page 22, Conference Committee Report Number 140, Senate Bill 504, Senate Draft 2, House Draft 1, Conference Draft 1. Both measures moved to the end of the calendar."

Conf. Com. Rep. No. 26 and H.B. No. 888, HD 1, SD 1, CD 1:

By unanimous consent, action was deferred to the end of the calendar.

Conf. Com. Rep. No. 140 and S.B. No. 504, SD 2, HD 1, CD 1:

By unanimous consent, action was deferred to the end of the calendar.

CONSENT CALENDAR

UNFINISHED BUSINESS

At this time, the Chair stated:

"Members, there will be no discussion, as these items were agreed upon by this Body for placement on Consent Calendar."

Conf. Com. Rep. No. 12 and S.B. No. 17, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL

ESTATE SELLER DISCLOSURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 14 and S.B. No. 1177, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 15 and S.B. No. 868, SD 1, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR COMMISSIONS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 17 and H.B. No. 538, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 538, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Ward submitted the following testimony in support of the measure:

CTIA
The Wireless Association®
Expanding the Wireless Frontier

February 10, 2015

The Honorable Angus L.K. McKelvey
Hawaii House of Representatives
Chair, House Consumer Protection Committee
Hawaii State Capitol
Room 320
Honolulu, HI 96813

Dear Chair McKelvey:

CTIA-The Wireless Association® is concerned about aspects of Hawaii House Bill 538 HD1 as currently drafted. Although we wholeheartedly share the goal of ensuring that victims of domestic violence have the flexibility to modify access to phone service, we respectfully request that the committee defer action on this bill so the wireless industry can work with the introducer and stakeholders on amendments to the bill.

The wireless industry has a history of working with organizations that help victims of domestic violence. CTIA's Wireless Foundation, for example, created "The Call to Protect" program. Through this and other programs, the Foundation raised money for organizations that work to end domestic violence by refurbishing and recycling wireless devices. In addition, CTIA members have individually worked to help domestic abuse victims and the organizations that support and protect victims.

The safety of our consumers is of the utmost importance to the wireless industry. Wireless companies work with their consumers during times of need, including those unfortunate situations described in the bill. CTIA's member companies have also long accommodated victims of domestic violence on a case-by-case basis by, for example, allowing victims to cancel contracts or change phone numbers. We do, however, have concerns with HB538 HD1 as currently drafted. It requires carriers to release without charge or penalty any victim of domestic violence from a shared or family wireless service contract involving the victim's abuser where, among other evidence, the victim provides a police report documenting an instance or series of instances of domestic violence. Forcing wireless carriers to provide a substitute or new number or alternate service on anything other than a court order places carriers in a precarious position of interpreting what a specific report means, which exposes carriers to liability or litigation if the report or carrier's interpretation is challenged by the account holder.

* The bill's requirement that carriers provide "alternative communications service" is also unclear. In addition, the requirement to provide an alternative service within 24 hours may lead to unintended negative consequences for consumers, such as a more expensive service or one that ultimately does not meet the victim's ongoing needs.

* Passage of HB538 HD1 may also violate 47 U.S.C. § 332(c), which provides that "no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service or any private mobile service." Early Termination Fees are part of the rate structure for wireless service contracts. Passage of the bill would functionally permit Hawaii to regulate the rate structure of wireless providers in the state. These requirements would bring the state into conflict with federal law.

1400 16th Street, NW Suite 600 Washington, DC 20036 Main 202.785.0081 Fax 202.785.0721 www.ctia.org

We share the introducer's goal of working to ensure the safety and well-being of victims of domestic violence. Although HB538 HD1 is well-intentioned, the wireless industry does have concerns with the legislation. In closing, we respectfully request that the committee defer action on this bill so the wireless industry can work with the introducer and stakeholders on amendments to the bill.

Sincerely,

Gerard Keegan
Senior Director
State Legislative Affairs

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 538, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 18 and S.B. No. 464, SD 1, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 19 and S.B. No. 1316, SD 2, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 22 and H.B. No. 87, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 87, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 23 and H.B. No. 179, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 179, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERMANENT ABSENTEE BALLOTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 24 and S.B. No. 508, SD 1, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 28 and S.B. No. 831, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 30 and S.B. No. 223, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 223, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF THE PUBLIC GUARDIAN," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 32 and H.B. No. 436, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 436, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY VEHICLES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 36 and H.B. No. 1268, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1268, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 41 and S.B. No. 181, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 46 and H.B. No. 582, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 582, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NURSING FACILITY SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 48 and S.B. No. 1113, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1113, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BACKGROUND CHECKS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 50 and S.B. No. 1117, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 51 and H.B. No. 482, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 482, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 52 and H.B. No. 573, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 573, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII GOOD AGRICULTURAL PRACTICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 54 and H.B. No. 1332, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1332, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 55 and H.B. No. 10, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 10, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 56 and H.B. No. 11, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 11, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 57 and H.B. No. 831, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 831, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CHARTER SCHOOLS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 60 and H.B. No. 1513, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1513, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 64 and H.B. No. 1180, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1180, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 66 and H.B. No. 1153, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1153, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERANS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 68 and H.B. No. 207, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 207, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRAINING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 79 and S.B. No. 374, SD 2, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DUAL CREDIT PROGRAMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 82 and S.B. No. 105, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 105, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 85 and S.B. No. 253, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 253, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE DEBT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 91 and S.B. No. 158, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET DOCUMENTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 96 and S.B. No. 1090, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1090, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 99 and S.B. No. 1211, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MAJOR DISASTER FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 103 and H.B. No. 73, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 73, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 104 and H.B. No. 209, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 209, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 113 and H.B. No. 943, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 943, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CIVIL MONETARY PENALTY SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 114 and H.B. No. 782, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 782, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CYTOMEGALOVIRUS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 117 and H.B. No. 1168, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1168, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOATING SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 121 and S.B. No. 1124, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO USE PERMITS FOR SMALL BOAT HARBORS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 122 and S.B. No. 1060, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1060, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 124 and S.B. No. 1009, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE CHARGES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 137 and S.B. No. 964, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 138 and S.B. No. 64, SD 3, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 141 and H.B. No. 126, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 126, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 143 and H.B. No. 696, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 696, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 144 and H.B. No. 697, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 697, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FACILITIES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 150 and H.B. No. 1509, HD 3, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1509, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 153 and H.B. No. 461, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 461, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF INFORMATION PRACTICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 158 and S.B. No. 213, SD 2, HD 3, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PENAL CODE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 161 and S.B. No. 1072, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1072, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF THE ATTORNEY GENERAL," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 165 and S.B. No. 160, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII NON-GENERAL FUNDS," passed Final Reading by a vote of 51 ayes.

At 10:49 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 17, HD 2, CD 1
S.B. No. 1177, SD 1, HD 1, CD 1
S.B. No. 868, SD 1, HD 2, CD 1
H.B. No. 538, HD 2, SD 2, CD 1
S.B. No. 464, SD 1, HD 2, CD 1

S.B. No. 1316, SD 2, HD 2, CD 1
H.B. No. 87, SD 2, CD 1
H.B. No. 179, HD 1, SD 1, CD 1
S.B. No. 508, SD 1, HD 2, CD 1
S.B. No. 831, SD 2, HD 1, CD 1
S.B. No. 223, SD 1, HD 1, CD 1
H.B. No. 436, HD 1, SD 2, CD 1
H.B. No. 1268, HD 2, SD 2, CD 1
S.B. No. 181, SD 1, HD 1, CD 1
H.B. No. 582, HD 1, SD 2, CD 1
S.B. No. 1113, SD 2, HD 1, CD 1
S.B. No. 1117, SD 2, HD 1, CD 1
H.B. No. 482, HD 2, SD 1, CD 1
H.B. No. 573, SD 1, CD 1
H.B. No. 1332, HD 1, SD 1, CD 1
H.B. No. 10, HD 2, SD 2, CD 1
H.B. No. 11, HD 2, SD 2, CD 1
H.B. No. 831, HD 2, SD 2, CD 1
H.B. No. 1513, HD 1, SD 2, CD 1
H.B. No. 1180, HD 1, SD 2, CD 1
H.B. No. 1153, SD 2, CD 1
H.B. No. 207, HD 2, SD 2, CD 1
S.B. No. 374, SD 2, HD 2, CD 1
S.B. No. 105, SD 1, HD 1, CD 1
S.B. No. 253, SD 1, HD 1, CD 1
S.B. No. 158, SD 1, HD 1, CD 1
S.B. No. 1090, SD 2, HD 1, CD 1
S.B. No. 1211, SD 1, HD 1, CD 1
H.B. No. 73, SD 1, CD 1
H.B. No. 209, HD 2, SD 2, CD 1
H.B. No. 943, HD 1, SD 2, CD 1
H.B. No. 782, HD 1, SD 2, CD 1
H.B. No. 1168, HD 1, SD 1, CD 1
S.B. No. 1124, HD 1, CD 1
S.B. No. 1060, SD 2, HD 1, CD 1
S.B. No. 1009, SD 1, HD 1, CD 1
S.B. No. 964, SD 2, HD 1, CD 1
S.B. No. 64, SD 3, HD 1, CD 1
H.B. No. 126, SD 1, CD 1
H.B. No. 696, HD 1, SD 1, CD 1
H.B. No. 697, HD 1, SD 2, CD 1
H.B. No. 1509, HD 3, SD 2, CD 1
H.B. No. 461, SD 2, CD 1
S.B. No. 213, SD 2, HD 3, CD 1
S.B. No. 1072, HD 1, CD 1
S.B. No. 160, SD 2, HD 1, CD 1

At this time, the Chair stated:

"Members, please remember to submit to the Clerk the list of House and Senate Bills on the Consent Calendar for which you will be inserting written comments in support or in opposition. This must be done by adjournment of today's Floor session."

At 10:50 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 11:03 o'clock a.m.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 10 and H.B. No. 1090, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1090, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT AGREEMENTS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Har voting no.

Conf. Com. Rep. No. 11 and H.B. No. 623, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 623, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, in support with a comment. Just concerned about the 100% goal, knowing that we can't predict what the technology will be and also a possible increase in renewable energy costs for energy users. So it's a good bill, but just some concerns. Thank you."

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

"In support. Just to note that even as we speak today, our renewable energy projects here in the State are coming in cheaper per kilowatt hour than oil and other fossil fuel projects, and so the more we can incentivize and push our utilities to make the investments they're going to make in cheaper renewable energy, than the more consumers are going to save on the back end, whether it's today or 40 years from now. Thank you."

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

"Thank you, Mr. Speaker. In very strong support. Today when we pass this bill it will mark a historic moment in Hawaii's history. It will mark a moment when we chart a course to lead the nation in clean energy policy. With the goals of reaching 70% renewable energy by 2040 and 100% by 2045, we're on the path to become the first state in the nation to be powered entirely by renewable energy. This is all the more remarkable given that, according to the 2014 Annual Report of OEQC, we're also the nation's number one per capita consumer of fossil fuels.

"With the declining cost of renewable energy and the volatility of oil and gas prices, this transition will bring savings and stability to consumers and businesses, and energy independence will help to make Hawaii more resilient in the face of an unpredictable global economy. Climate change is the paramount issue of our generation, and Hawaii is particularly vulnerable to the global changes we know are coming. Ultimately, our future hinges on ending our dependence on fossil fuel. There is still a great deal of work to be done, but with the passage of this bill we're showing true leadership for our state, for the nation, and for the planet.

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

"Thank you, Mr. Speaker. In support. While we reach our goals, I'm just concerned about how the renewable energy infrastructure seems to be coming closer and closer to homes and schools and hospitals and other structures like that. So that's the only caveat I have, as we move forward in reaching our goals we also have to realize that there's a lot of infrastructure and a lot of our residents are concerned about how that may not be as prudent as we should act. So those are just my only concerns. Thank you."

Representative Tupola rose to respond, stating:

"Second time, Mr. Speaker. Just really quick, I wanted to also commend my colleague from Laie, but in my community as well that's a concern, is that a lot of the renewable energy is being built in our communities without any regard to where, how close it is or how much land it takes up or where it's located. So those are some concerns. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 623, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE STANDARDS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Conf. Com. Rep. No. 13 and S.B. No. 1094, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

INSURANCE," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives McDermott, Pouha and Tupola voting no.

Conf. Com. Rep. No. 16 and H.B. No. 261, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 261, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

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

Representative McKelvey's written remarks are as follows:

"The purpose of this bill is to require health insurers, mutual benefit societies, and health maintenance organizations on or after January 1, 2017, to make available complete and updated formularies to enrollees, potential enrollees, and providers. This bill would better ensure transparency of prescription drug benefits, and assist consumers with making more informed choices about health care coverage.

"Mr. Speaker, many patients have specific drug needs and choose a health insurance plan that promises to cover their prescription drug needs. Unfortunately, plans can change their formularies at any time, leaving patients with significantly higher co-pays than what they had budgeted for when they originally contracted with their health insurance plan. This is unfair to the consumer and this bill will go a long way to remedy this issue.

"All of the health insurance plans available in the current individual and small group market must provide a benefit package that includes a minimum standard of prescription drug coverage. However, the specific prescription drugs covered will vary by health insurance plan.

"It should be noted that full formulary information is often not available on all insurance carrier websites. As a result, patients must track down each plan's formulary to see if their medication is covered. Additionally, formularies are not exhaustive of all the drugs that are covered and sometimes do not list the prescription drugs that are routinely administered in the provider's office and covered under a plan's medical benefit. Finally, plan formularies are displayed in different formats, which makes it very time consuming to compare different plans. For example, if a patient is able to find their drug on a plan's formulary, they have no way to compare out of pocket costs across available plans.

"Mr. Speaker, people living with serious and chronic conditions like cancer need to be sure that the health insurance plan they choose covers the medicine they need. From my research, I discovered that quite often cancer drugs are placed on the specialty drug formulary tier. In some cases, Mr. Speaker, the patient cost for these drugs can be up to 30% or more of the total cost of the drug as opposed to a flat dollar amount. Not knowing the total cost of the drug makes it extremely difficult for the consumer to know how much they will have to pay out of pocket. For many patients, the cost of that drug could mean their ability to pay for groceries or a rent payment that month.

"This measure ensures that drug formularies are more consumer friendly. Patients in need of specific medications will be able to identify which plan covers their prescription drug needs and estimate how much it will cost them each month. For cancer patients, access to life saving drugs can make all the difference in their survival of the disease. This bill will ensure they have the information they need to buy a plan that will give them the best chance at survival."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 261, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 20 and S.B. No. 971, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 971, SD 1, HD 1, CD 1 pass Final 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. 971, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Conf. Com. Rep. No. 21 and S.B. No. 521, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 521, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In support, just a quick comment. I think it's good, the special purpose revenue bond that we're giving, just to make sure that we're aware that this is built on Hawaiian Homelands and that the parcels being apportioned out for agriculture leases should be to Hawaiians who have 50% or more Hawaiian blood. And no conflict of interest because I have 25%. 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. 521, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 25 and S.B. No. 569, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 569, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 569, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THEFT," passed Final Reading by a vote of 35 ayes to 16 noes, with Representative McKelvey voting aye with reservations, and with Representatives Aquino, Cullen, Fukumoto Chang, Har, Johanson, Kawakami, Kong, Matsumoto, McDermott, Ohno, Pouha, Thielen, Tokioka, Tupola, Ward and Yamane voting no.

Conf. Com. Rep. No. 27 and S.B. No. 717, SD 2, HD 1, CD 1:

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

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

"Mr. Speaker, strong, strong support. I feel compelled to speak at the funeral of ethanol. This bill is the death knell of what was otherwise an intended good idea, and we're finally admitting that we made a mistake, and I want to commend this Body and the Senate. We are actually reversing what we did in 2006. I think it's to be commended. I think what we need to do as we do at any funeral is to count the life of the particular occasion, and that is the life of ethanol.

"Since 2006, we mandated 10% in all of our fuels. Mr. Speaker, by doing that we said, we're going to have to pay a price for the sake of

environment, but we really hurt the gas dealers who, when they had to pump it they had to segregate the various transportation between the islands and the various tanks within their stations. We heard also the consumers, Mr. Speaker, they were the ones that had to pay an extra amount of money. They paid an average, this is a national average, of about 50 to 60 cents more per gallon and they had less mileage. And if you were a fisherman you would say how the ethanol in the rubber gaskets in your carburation and in your lines were deteriorating. We also as a nation have paid probably about $10 billion to do that.

"However, the intent was great. In the beginning, Hawaii was the king of sugar. Mr. Speaker, the intent in 2006 was, look, we're the king of sugar, we have the highest yields in the world, we can put up these ethanol plants. I think the good Member from Kauai knows that they were the closest to doing it, they couldn't even get the money to finance to build an ethanol plant. So everybody was up for high expectations, and suddenly nothing happened.

"The problem, Mr. Speaker, is that it hurts, and now we're going to take away the hurt and fortunately also we're going to take away the debt that we have been paying to Brazil. We're stopping the foreign aid to Brazil because basically that's where all of our money has gone. So the bill levels the playing field, Mr. Speaker. It puts a chance for solar on every roof, and I should add a Tesla Powerwall battery on every wall or on every house, so we can get off the grid, we can be independent of HECO, which is the model of the mainframe computer, to where we have to go to the PC, the individual producer, that is with our own rooftops. So, lastly, Mr. Speaker, as they say at all funerals, may ethanol rest in peace. Strong support of the deceased. Thank you."

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

"Thank you, Mr. Speaker. Just asking for a ruling on a potential conflict. The company I work for sells gasoline with ethanol. Okay 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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHANOL," passed Final Reading by a vote of 51 ayes.

At 11:16 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1090, HD 2, SD 2, CD 1
H.B. No. 623, HD 2, SD 2, CD 1
S.B. No. 1094, SD 2, HD 1, CD 1
H.B. No. 261, HD 2, SD 2, CD 1
S.B. No. 971, SD 1, HD 1, CD 1
S.B. No. 521, SD 1, HD 1, CD 1
S.B. No. 569, SD 1, HD 1, CD 1
S.B. No. 717, SD 2, HD 1, CD 1

Conf. Com. Rep. No. 29 and S.B. No. 871, SD 1, HD 3, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 871, SD 1, HD 3, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, please note my reservations. A quick comment. Under the Federal Real ID Act of 2005 it is actually required that there's criteria for driver's license and proof of lawful presence in the United States. I realize this is just a reciprocity licensing so that the people can get insurance, but there's just some concerns because of using this license in other areas, perhaps for purchase of alcohol or other stores that might need it for identifying your photo or your address which it may or not be accurate. So just some concerns, received a lot of calls from constituents worried about maybe the tightness of the wording on the bill to make sure that there is no fraudulent use of this reciprocity license. 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. 871, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Final Reading by a vote of 51 ayes, with Representative Tupola voting aye with reservations.

Conf. Com. Rep. No. 31 and S.B. No. 756, SD 1, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 756, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 33 and H.B. No. 1273, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1273, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 34 and H.B. No. 391, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 391, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WAGES AND HOURS ON PUBLIC WORKS," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Kong, Thielen and Tupola voting no.

Conf. Com. Rep. No. 35 and H.B. No. 894, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 894, HD 2, SD 1, CD 1 pass Final 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 H.B. No. 894, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENHANCED 911 BOARD," passed Final Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Conf. Com. Rep. No. 37 and H.B. No. 707, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 707, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 38 and H.B. No. 15, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 15, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 39 and S.B. No. 1131, SD 2, HD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1131, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 40 and S.B. No. 265, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 265, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEX TRAFFICKING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 42 and H.B. No. 26, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 26, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF TRUSTEES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 43 and H.B. No. 1491, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1491, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 44 and H.B. No. 896, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 896, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Har and McKelvey voting no.

Conf. Com. Rep. No. 45 and H.B. No. 775, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 775, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, in support.

"Mr. Speaker, Hawaii has always been known as a visitor destination. A special place where people from all of the world come to enjoy our beautiful weather, beaches, natural surroundings, culture, our people and, of course, the spirit of *Aloha*. We have been able to attract these visitors successfully through rigorous marketing campaigns.

"However, unknown to many is that Hawaii is also a tremendous educational destination. We have a strong diverse state university program as well as very successful private institutions at higher education.

"Mr. Speaker, the rest of the nation is experiencing a 13% growth over the past three years while Hawaii's enrollment has declined 11% over the same period. We currently have 10,300 international students. With a 10% increase or 1,000 more students, we can generate $2.6 million more in tax revenue. I believe that the $250,000 investment is a responsible way to increase our economic opportunity through education.

"I would like to also thank the Finance and Ways and Means Chairs for their generosity. The original request was for $150,000 but instead they were able to generously secure an additional $100,000 for the total of $250,000. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 775, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 47 and H.B. No. 631, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 631, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"It's quite a surprise, Mr. Speaker, in opposition. First, I'd like to have my comments from Second Reading inserted. I'd just like to point out without belaboring the point, there may be some constitutional issues here because if a transgender, quote unquote, 'woman', shows up with a man to get married, let's say in the Catholic Church, and they're both practicing Catholics, how does the priest say no to them? So I think we will see legal issues, constitutional issues wrangled about, because we're creating some problems here. Thank you," and the Chair "so ordered." (By reference only.)

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

Representative Belatti's written remarks are as follows:

"I rise in support of HB 631, CD 1 that updates our state's birth certificate law with international and national medical standards of care that recognize that surgical treatments are not necessary or appropriate for recognizing transgendered individuals.

"Most recently, in 2014, the American Medical Association issued its policy statement supporting 'elimination of any requirement that individuals undergo gender affirmation surgery in order to change their sex designation on birth certificates' and 'modernizing state vital statistics statutes to assure accurate gender markers on birth certificates.'

"By adopting CD 1, the Legislature modernizes its state birth certificate law in alignment with clinical standards of care and, hopefully, begins to address, remove and lessen some of the stigma, discrimination and obstacles faced by transgendered individuals in our community."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 631, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CERTIFICATES OF BIRTH," passed Final Reading by a vote of 37 ayes to 14 noes, with Representatives Aquino, Choy, Cullen, Fukumoto Chang, Har, Ito, Kong, Matsumoto, McDermott, Pouha, Tokioka, Tsuji, Tupola and Ward voting no.

At 11:22 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 871, SD 1, HD 3, CD 1
S.B. No. 756, SD 1, HD 2, CD 1
H.B. No. 1273, HD 2, SD 2, CD 1
H.B. No. 391, HD 1, SD 1, CD 1
H.B. No. 894, HD 2, SD 1, CD 1
H.B. No. 707, SD 1, CD 1
H.B. No. 15, HD 1, SD 1, CD 1
S.B. No. 1131, SD 2, HD 2, CD 1
S.B. No. 265, SD 1, HD 1, CD 1
H.B. No. 26, HD 1, SD 1, CD 1
H.B. No. 1491, HD 2, SD 1, CD 1
H.B. No. 896, HD 1, SD 2, CD 1
H.B. No. 775, HD 1, SD 1, CD 1
H.B. No. 631, HD 2, SD 1, CD 1

Conf. Com. Rep. No. 49 and S.B. No. 1291, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1291, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Mr. Speaker, may I request a ruling on a potential conflict? At my law firm I represent condominium associations as well as planned community associations," and the Chair ruled, "no conflict."

Representative Har continued, stating:

"May I request a ruling on a second potential conflict? I am a member of a planned community association," and the Chair ruled, "no conflict."

Representative Har continued to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition to this measure. Mr. Speaker, my opposition to this measure really deals specifically with amending sections 421J as well as 514A and B. For those of us who are familiar with these provisions, 421J deals with planned community associations and 514A and B deal with condominium associations. I understand that it is the will of this Body and the Legislature to move towards this anti-discrimination policy towards medical marijuana.

"The issue that I have though is, for example in a condominium association, if you happen to have a person who lives in a condominium association and they have a medical marijuana patient who lives next door, and let's say that person is smoking and what not and the rules, the bylaws, the CC&Rs, the articles of incorporation do not prohibit smoking. So in this situation pursuant to this bill, that person will be allowed to smoke their medical marijuana.

"Now for whatever reason, let's say now the smell is permeating into another unit owner's apartment, they have small kids, it becomes a nuisance at that point. And so where is the protection for those condominium owners? In addition, Mr. Speaker, with respect to 421J that again amends the planned community association provision, for those of us who bought into a planned community association, we understood what we bought into. We signed something called the Declaration of Covenants, Conditions, and Restrictions. We agreed to be held in accord with the bylaws, as well as the articles of incorporation, as well as all project documents that flow in terms of buying that unit.

"And so there's a solution here. What we should have done was allowed each planned community association or condominium association to vote on whether they wanted to have something like this in their CC&Rs or their project documents, as opposed to legislating it this way. Most planned community associations and condominium associations simply require 75% vote of the owners. Or if it's not clear in the project documents, it can be done be through statute requiring 75%.

"So I think it's a little bit onerous to be going through legislation having this because there was a solution, which was essentially allowing each planned community association as well as each condominium association to make that determination for themselves.

"At the end of the day, for those of us who bought into a planned community association, it's about the aesthetics. For example, in my planned community association you cannot have things like a big boat in front of your yard. You cannot have chickens in the back of your yard. And there's a reason for that. Even if you want to install an air conditioning unit, you have to have a certain type, it has to be approved by the board and it has to have a certain lattice form on it to keep the aesthetics.

"So now if somebody is selling their home, and let's say their next door neighbor is a medical marijuana patient and doesn't have regard for their next door neighbor. Arguably, it could lower the property value for that person, that adjacent neighbor who wants to sell their unit. Again, there's a reason why we buy into associations, to keep the value of our properties. So there's no recourse in this bill for those condominium association owners and those planned community association owners. And for these reasons, I'm in opposition. Thank you."

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

"Thank you, Mr. Speaker. I rise in support with reservations. Thank you. I do appreciate very much that the Conference Committee took out employers and their prerogatives with respect to changes in the laws that were being made, I think that was a good change that accommodates many employers health and safety concerns in the workplace. And I don't wish to necessarily countenance discrimination, but one of the lingering concerns that I do have which is more of a broader statement on this bill as well as some of the others we'll be looking at today, are just the gradual erosion of private property owner's rights. Again, I think this bill touches upon that, and I think that's just something that we need to consider when we're making policy. Thank you."

Representative Ichiyama 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 Ichiyama's written remarks are as follows:

"Mr. Speaker, I have serious reservations about this measure. SB 1291 states that 'no landlord shall refuse to lease property to or otherwise penalize a person solely for the person's status as a qualifying patient or primary caregiver in the medical marijuana program.' I am concerned that we are eroding private property rights in Hawaii.

"A standard lease agreement contains a prohibition against the use of illegal substances, including marijuana. Use of marijuana is still a violation of federal law. Hawaii landlords can no longer use these standard lease agreements because it will conflict with the language of SB 1291.

"I understand the need to protect patients with serious medical conditions from discrimination based on their status as a participant in the medical marijuana program. However, this law is drafted broadly and includes marijuana caregivers, individuals who grow marijuana for patients. If a landlord does not want his or her property to be used for growing marijuana, I believe that should be a landlord's prerogative.

"For these reasons, I vote with strong reservations. Thank you."

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

"Mr. Speaker, ruling on a potential conflict. I sit on a planned community association. Thank you," and the Chair ruled, "no conflict."

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

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, this is another vote that I wish we could say opposition with reservations. I agree with the measure, but when it affects private property rights I feel that it oversteps its bounds. I would also like to incorporate my remarks made on this same measure on Third Reading as well."

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

"Opposition, brief comment. Mr. Speaker, people who have a marijuana certificate should be able to do what they're doing, but they shouldn't be a protected class. I think we've learned from the past that that is not the easiest nor the best way to proceed. I think that as we make marijuana smokers a protected class, given what this Body is about to do in terms of dispensaries, and some doctors giving marijuana medical certificates as if they were candy for $150 each, this is a physician that I'm quoting saying this. That there's a lot of people who are not sick who have got marijuana certificates, and what this adds to is a proliferation and a protected group who otherwise may not genuinely be sick.

"Those who have epilepsy, those who are in pain, those who need this should need it, but I think this is going a little bit overboard, protecting those who do not need it and will take advantage of it. As in our colleague from Kapolei's point of view, those people in these condominium associations. How do they resort back to a normal life after this? So, Mr. Speaker, for those things I think this is an unintended consequence coming to us in the future. Thank you."

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

Representative Belatti's written remarks are as follows:

"I rise in support of SB 1291, CD 1 that provides limited civil protections to medical marijuana patients in the areas of housing, school enrollment, parental rights, and supplemental medical care and treatment.

"Because of the current Schedule I status of marijuana at the federal level and despite Hawaii's recognition of the medical use of marijuana, many of Hawaii's medical marijuana patients are left unprotected by our civil laws. SB 1291, CD 1 begins to address some of these important areas, such as education, housing, and the raising of one's children, that are essential to the ability of individuals and families to thrive and succeed in life.

"I would like to thank the Chairs of the House and Senate Judiciary Committees who worked on improving SB 1291 during conference. In crafting CD 1, the Chairs, I believe, successfully recognized the vulnerabilities faced by Hawaii's medical marijuana patients and balanced the need for some degree of protections with the needs of institutions and individuals who are concerned about federal penalties. There continues to be work that needs to be done in this area, but SB 1291, CD 1 is an important milestone for improving our laws around the legitimate use of medical marijuana in our state."

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," passed Final Reading by a vote of 35 ayes to 16 noes, with Representatives Cachola, Ichiyama, Johanson and Say voting aye with reservations, and with Representatives Aquino, Choy, Cullen, Fukumoto Chang, Har, Kawakami, Kong, Matsumoto, McDermott, Oshiro, Pouha, Tokioka, Tsuji, Tupola, Ward and Yamane voting no.

Conf. Com. Rep. No. 53 and H.B. No. 850, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 850, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AGRICULTURAL EXTENSION SERVICE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 58 and H.B. No. 820, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 820, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EARLY CHILDHOOD EDUCATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 59 and H.B. No. 1140, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1140, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations and brief some comments, real quickly. My concerns are the fact there's no means testing or trying to advance the credit through the income tax structure so that those with the means to afford the cesspool upgrades wouldn't be given the benefit of a tax credit. While there are many homes on the ocean that people do need the credit, there are also many homes on the ocean where they don't need this credit in any way, shape, or form, and my concern is that with the financial picture being the way it is, you could have local people who need this credit to do the upgrades not being able to get the money, while those who definitely don't need it might get the money. Thank you."

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

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

"Mr. Speaker, in opposition. Mr. Speaker, may I have the words from the good Representative from Lahaina entered into the Journal as if they were my own? And, Mr. Speaker, my major concerns with this is, although we are putting a $5 million cap on this, it is a very rich tax credit, up to $10,000 per applicant. Unfortunately, this will extend for five years, so the possibility of almost $25 million will go towards this effort.

"It is a noble effort, don't get me wrong with that, but we have seen time and time again with the Department of Health here in the State, all these road blocks have been up for not only cesspools but sand movement on beaches, replacing or building piers at our fading small boat harbors. And we really should be evaluating what is going on or has been going on at the Department of Health and fix that, first.

"Cesspools have been known for many, many years that they had to be taken care of. I know they're beyond some of the statutes. I know we are one of the last states in our nation to be addressing this situation. I don't think this is the right mechanism at this point in time, Mr. Speaker. Thank you very much, Mr. Speaker."

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

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

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

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

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

"Thank you, Mr. Speaker. In strong support, a few brief comments. While on one hand we're leading the nation in energy policy, on the other hand we're dead last in waste water management. Cesspools are used more widely in Hawaii than anywhere else in the nation, and every other state banned cesspools long ago while here we still allow new ones to be built.

"Cesspools let untreated waste seep directly into the ground, and when they're near sources of water like wells, streams and the ocean, they pose a high risk of contaminating the environment and affecting human health. The EPA banned all large capacity cesspools since 2005, and Hawaii's Department of Health has proposed new rules to address individual cesspools, which would require cesspool conversion within six months of the sale of the home.

"This is a good step but will have a big financial impact. With this tax credit which will apply to those within 200 feet of drinking water wells,

surface streams and the shoreline, we're helping to ease the financial burden of the conversion, and hopefully providing an incentive for some of these homeowners to make the changes sooner.

"When homes are right near the ocean and use cesspools, for example, on Big Island, in places like Puako or Kapoho, you're basically flushing your toilet into the ocean. In a state where we're surrounded by water and dependent on the ocean to attract visitors, feed families, and sustain cultural practices, we must do everything we can do to protect this incalculably important resource, and the passage of this bill is a step in that direction."

Representative Kawakami rose in support of the measure and asked that the remarks of Representative Lowen 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 H.B. No. 1140, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CESSPOOLS," passed Final Reading by a vote of 44 ayes to 7 noes, with Representatives McKelvey, Morikawa and San Buenaventura voting aye with reservations, and with Representatives DeCoite, Har, Jordan, LoPresti, Onishi, Oshiro and Say voting no.

Conf. Com. Rep. No. 61 and H.B. No. 1394, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1394, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I am in strong support of H.B. No. 1394, HD 2, SD 2, CD 1.

"Mr. Speaker, one of the most precious resources we have within our Hawaiian Islands is fresh water. And yet how much of that fresh water is flushed right down the toilet and into the ocean?

"We use over 330 million gallons of water every day in our state. With climate change impacting our rainfall across the State, we need to start planning to ensure that we can conserve and preserve our fresh water resources. We have been moving as a state towards a more sustainable future through agriculture and energy use, but the most precious resource is water. This is a bill that is going to ensure that as we move forward we can conserve our fresh water resources so we can do more agriculture, we can do smart growth, increase our industrial growth, and have a more sustainable future.

"This bill would allow the Department of Transportation, Airports Division, to study a water reuse project, where we can possibly use reclaimed water through scalping technology, and we can then reuse that water in areas of the airport such as landscaping, rental car facilities in their car washing needs, and to cool large chiller units.

"Mr. Speaker, we are using potable water at this moment. Water that can be used for better means. Water that we can save, because it is a precious resource. With the technology available now, we can reclaim and clean water, making it safe to drink. That is where the technology is now. As we move forward, all government and private entities need to be involved. We need to look at how we can reuse water, and how we can impact the future.

"This bill will also provide the framework for water reuse technology throughout the State. This is the right thing to do, Mr. Speaker, and is going to make history in Hawaii as we move towards a more sustainable future, preserving, conserving and reusing this precious resource for our *keiki*."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1394, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER RECLAMATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 62 and H.B. No. 1214, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1214, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations and just a few comments. I think with working groups and task force, that we should maybe reflect and make sure that the wording gives us the ability to report back to us and make sure that it's an effective working group. It says that they will develop and that they will evaluate, but it doesn't say that they'll report back or that we'll check for affectivity and the use of this appropriation money for a workforce to determine whether or not state and county responsibilities. It's really important, but I still feel like we could tighten up the language so that we make sure that its effective use of state taxpayer money. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1214, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE-COUNTY FUNCTIONS WORKING GROUP," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Pouha and Tupola voting no.

Conf. Com. Rep. No. 63 and H.B. No. 1432, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1432, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERIM ASSISTANCE REIMBURSEMENT SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 65 and H.B. No. 318, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 318, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, in opposition. Mr. Speaker, I think our state was one of the leading states on protecting our open spaces in regards to billboards and signage or little planes that ride around with a tag behind it, and this measure, in my opinion, Mr. Speaker, goes against that grain. I don't think we should be putting large names of corporations on buildings or even maybe a personal name outside of somebody we're honoring, which we can do through legislative or county process, but I don't think we should be selling rights to specific buildings and structures just to compromise our beautiful state. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I appreciate the former speaker's remarks, I am now going to be casting a no vote. Mr. Speaker, I know that this is a City and County request to be introduced. My concern is that the City and County also wanted to cover the sides of our city buses with ads to have those rolling through the community. And I don't like to see this continual push to put advertisements in public places. The Outdoor Circle worked very hard to stop that almost a hundred years ago, and I don't want to see us undo that wonderful work that has kept Hawaii ad-free. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 318, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT BUILDINGS,"

passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Jordan, Oshiro, Thielen and Tupola voting no.

Conf. Com. Rep. No. 67 and H.B. No. 206, HD 2, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 206, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN PLANTS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 69 and H.B. No. 1489, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1489, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL LICENSE PLATES FOR NATIONAL PARKS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 70 and H.B. No. 1010, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1010, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, in opposition. Mr. Speaker, two brief points. I said earlier that the way out of deficit spending for the State is growing the economy, growing the pie, making sure that we are robust and creating jobs for our people. This bill is an employer mandate. This bill mandates that you will give public transportation benefits to your employers. I don't think you can grow the pie with more mandates. We have all the mandates and all the image of being anti-business as it is.

"Second point I wanted to make, Mr. Speaker, this is the dream for the pro-rail people who fear there's not going to be enough people riding on the rail. This will incentivize all of Hawaii's employers to put their employees on the rail. For those two reasons, Mr. Speaker, I vote no. Thank you."

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

Representative Thielen's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in opposition. As stated by the Chamber of Commerce of Hawaii, employers should have a choice to offer transportation benefits rather than being mandated by government. A potential unintended consequence, assuming counties adopt the requirement, is employees may be paid less by employers who cover these transportation costs. Costs the employee themselves may not want to incur. The bill allows counties to enact these employer mandates, which should be decided at the State level. Lastly, the bill has implications for additional costs and administrative burden on employers for transportation. Thank you, Mr. Speaker."

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

"Mr. Speaker, in support. I think this just allows the counties to probably work on passing a resolution so their employees, or maybe even the State, can now pay for their ride for vRide, which is Van Pool, or maybe even a rail pass, or maybe some bicycle transportation. This is a great piece of legislation that promotes alternative options of how you can get to and from work or the store. And what's really nice about it, Mr. Speaker, it would be a pre-tax program, such as we get offered here for our parking. And the more you can put in pre-tax, the more you'll be saving on your state and federal tax dollars.

"So I hopefully encourage the City and County of Honolulu to move this forward for their employees, because we almost lost the van program because we didn't have enough funding. And I have many constituents on my coast that were really appreciative when the vRide service started coming back up and promoting that. But at $250 a month, it can get very expensive for some individuals, and I think that may encourage individuals to take this program through the county or state programs. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I would like the words of the previous speaker entered into the Journal as if they were my own. And just an addendum, this will also provide benefits for the neighbor islands as well, particularly Maui County where these very same issues that were spoken of earlier exist and are even more onerous given our distances from our communities. Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you very much. In support and I would like to thank the Representative from Waianae for clarifying that this is a pre-tax benefit, it's not an employer mandated benefit. So what happens is similar to our flex plan were we set aside our own money to pay for expenses ahead of time and you can claim that pre-tax, so that's what this is. So for instance, commuter benefits, either van pool or rail, if employees want to set aside money and deduct that same money that you pay for pre-tax, then this will allow it. So this is actually a really good incentive. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1010, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMUTER BENEFITS PROGRAM," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Kong, McDermott, Thielen, Tupola and Ward voting no.

Conf. Com. Rep. No. 71 and H.B. No. 252, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 252, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 72 and H.B. No. 142, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 142, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING ON HAWAIIAN HOME LANDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 73 and H.B. No. 277, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 277, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFRASTRUCTURE," passed Final Reading by a vote of 51 ayes.

At 11:46 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1291, SD 2, HD 2, CD 1
H.B. No. 850, HD 1, SD 2, CD 1
H.B. No. 820, HD 2, SD 1, CD 1
H.B. No. 1140, HD 1, SD 2, CD 1
H.B. No. 1394, HD 2, SD 2, CD 1
H.B. No. 1214, HD 1, SD 1, CD 1
H.B. No. 1432, HD 2, SD 1, CD 1
H.B. No. 318, HD 1, SD 1, CD 1
H.B. No. 206, HD 2, SD 1, CD 1
H.B. No. 1489, HD 1, SD 2, CD 1
H.B. No. 1010, HD 1, SD 2, CD 1
H.B. No. 252, HD 1, SD 2, CD 1
H.B. No. 142, HD 1, SD 2, CD 1
H.B. No. 277, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 74 and H.B. No. 1251, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1251, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CHARTER SCHOOLS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 75 and H.B. No. 169, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 169, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 169, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Har, McKelvey, Pouha and Tokioka voting aye with reservations, and with Representatives Kong, McDermott, Ohno, Tupola and Ward voting no.

Conf. Com. Rep. No. 76 and S.B. No. 1361, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1361, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUDGETING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 77 and S.B. No. 996, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 996, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, this is it for me. No vote, Mr. Speaker. I would like to explain my protest vote, if I may. Mr. Speaker, my protest vote on this measure is because of what the potential it could have been to address I believe a situation that to me was untenable, and that was an ethics opinion that was issued against our teachers. I say against, saying that their chaperone activities somehow violate the ethics commission.

"Mr. Speaker, we see the kids, we see them in the building, we see them at Bishop Museum, we see them learning about all the great things that are Hawaii. Our teachers, our chaperones take all the time out to organize these activities, to take the kids out, and now they're being told that to facilitate these trips they're somehow being unethical.

"Mr. Speaker, we had a chance to fix this situation with this bill. We could have sent a message from this Body saying that this is not unethical, but we didn't. And so to move this measure forward without addressing the situation, Mr. Speaker, I cannot vote for it. And I hope that this Body will address this, because to me it is outrageous that our teachers are being told that to do chaperone trips to all of these facilities and buildings is somehow unethical behavior. Thank you."

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

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

"Mr. Speaker, point of information. Can you vote for a bill and also have the opinion of an opposition entered into the Journal as if your own? Thank you. I shall request that. I support the bill, but his comments are right on, the Chair of CPC from Maui. Thank you," and the Chair "so ordered." (By reference only.)

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

Representative Creagan rose in support of the measure with reservations and asked that the remarks of Representative McKelvey 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. 996, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," passed Final Reading by a vote of 46 ayes to 5 noes, with Representative Creagan voting aye with reservations, and with Representatives Choy, DeCoite, Har, McKelvey and Oshiro voting no.

Conf. Com. Rep. No. 78 and S.B. No. 1345, HD 1, CD 1:

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

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

"Thank you, Mr. Speaker. In support with comments. Thank you, Mr. Speaker. I fully support developing a transition plan to end multitrack schools. My constituents, for example, at James Campbell High School, as has been previously mentioned, we're reaching capacity of 3,000, it'll be about 3,500 soon. If something's not done quickly, it will be forced into multitrack status. So I just hope that with this bill when they look at doing a study on fixing multitracks, they look at stopping schools from having to go into multitrack. Because if we just look at fixing multitracks that exist, we might ignore those that, like Campbell, for example, who then have to become multitrack and it kind of defeats the purpose. So I certainly support this, but it is a crisis that needs to be addressed and I hope that they look at this in what they do with this bill. Thank you."

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

"Thank you, Mr. Speaker. In strong support. Very brief comments, Mr. Speaker. There are four multitrack schools in the entire State of Hawaii. I happen to have two of them in my district. One other one is located in Ewa, the other is located in Mililani. Mr. Speaker, for those of us who have multitrack schools in our district, we understand the arduous issues that exist. It is difficult for families, it is difficult for teachers. Unfortunately, we cannot build these schools fast enough, which is why we have had to resort to multitrack schools. This measure ensures that all schools will be on a single track, it will be easier for not only the teachers, the families, the administration, but it ensures there is some parity across the board. So for these reasons, I'm in strong support. Thank you."

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

"Mr. Speaker, strong support."

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 80 and S.B. No. 92, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 92, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 81 and S.B. No. 104, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 104, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUDGETING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 83 and S.B. No. 118, SD 1, HD 2, CD 1:

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

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

"With reservations. The real estate investment trust has been a tax haven for years. We had an opportunity at this time to tax them. One big sale, the Ala Moana Shopping Center sale, was a tax free event because of this tax haven. It's with reservations that we're just doing a study now. We should tax them now, especially with our financial situation. We shouldn't allow this type of tax haven to exist. 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. 118, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE INVESTMENT TRUSTS," passed Final Reading by a vote of 51 ayes, with Representative San Buenaventura voting aye with reservations.

Conf. Com. Rep. No. 84 and S.B. No. 250, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 250, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL FUNDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 86 and S.B. No. 254, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 254, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In strong support, and I would like to ask that my remarks be put into the Journal, but I just wanted to say, this is really the first step toward attaching fiscal notes to bills, and that's something our Minority Caucus has promoted for a number of years. So at least we're beginning on that road. Thank you."

Representative Thielen's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support. This bill will require the Director of Finance to report on the estimated costs of proposed capital improvement projects and deferred maintenance costs for state-owned buildings, facilities, and other improvements. I strongly support the direction this bill is taking us because it promotes transparency and helps the Legislature to engage in better financial planning.

"Over the years, our Minority Caucus has often pushed for measures to increase transparency, especially in matters that will impact us financially. For example, in recent years, our caucus has supported bills that would require that all pieces of legislation be accompanied by a fiscal note. The fiscal note would include each bill's projected impact on state revenues and expenditures and, therefore, allow policy-makers and the public to know the financial gain or loss of each bill.

"I hope future legislation can one day reach that level of transparency, but again, I appreciate where this bill is taking us. This bill will make fiscal information more available and accessible, and by doing so, our Legislative Body can take greater consideration into how we spend taxpayer dollars. When this Legislative Body promotes financial transparency, our constituents, the taxpayers who we represent, can have confidence that their elected official will spend their taxes responsibly.

"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. 254, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 87 and S.B. No. 854, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 854, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. With reservations. I'm finally getting to move to a more positive position on these type of adventures that this bill does. I am glad that they had tightened it up to educational purposes. I'm still a little uncomfortable with the revenue that they can drive off these, because it still tinges upon that public-private partnership, baby PLDC. Unfortunately, as you all know, I wasn't very supportive of the PLDC. So I'm moving to a 'with reservations' because it is in support of looking at educational mechanisms on how we can develop schools or properties for educational purposes. 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. 854, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL LANDS," passed Final Reading by a vote of 51 ayes, with Representative Jordan voting aye with reservations.

Conf. Com. Rep. No. 88 and S.B. No. 376, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A FARM TO SCHOOL PROGRAM," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 89 and S.B. No. 387, SD 2, HD 3, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFIRMATIVE CONSENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 90 and S.B. No. 40, SD 3, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LICENSING," passed Final Reading by a vote of 51 ayes.

At 11:56 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1251, HD 1, SD 2, CD 1
H.B. No. 169, HD 1, SD 1, CD 1
S.B. No. 1361, SD 2, HD 1, CD 1
S.B. No. 996, SD 2, HD 2, CD 1
S.B. No. 1345, HD 1, CD 1
S.B. No. 92, SD 2, HD 1, CD 1
S.B. No. 104, SD 1, HD 1, CD 1
S.B. No. 118, SD 1, HD 2, CD 1
S.B. No. 250, SD 1, HD 1, CD 1
S.B. No. 254, SD 1, HD 1, CD 1
S.B. No. 854, SD 2, HD 2, CD 1
S.B. No. 376, SD 2, HD 1, CD 1
S.B. No. 387, SD 2, HD 3, CD 1

S.B. No. 40, SD 3, HD 2, CD 1

At 11:56 o'clock a.m., Representative Har requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:57 o'clock a.m.

LATE INTRODUCTIONS

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

Representative Har introduced Chief Justice Mark E. Recktenwald; and Mr. Rodney Maile, Administrative Director of the Courts.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 92 and S.B. No. 1080, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1080, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 93 and S.B. No. 1081, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1081, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 94 and S.B. No. 1082, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1082, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Just asking for a ruling on a potential conflict. My husband is a firefighter. Thank you so much," 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. 1082, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 95 and S.B. No. 544, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 544, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATURAL RESOURCES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 97 and S.B. No. 661, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 661, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNMANNED AERIAL SYSTEMS TEST SITES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 98 and S.B. No. 1158, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 100 and S.B. No. 791, SD 1, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 791, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I'd like to take a moment to laud the Health Committee Chair for working tirelessly on this for the last several years. You know she and I disagree on quite a bit, but I wanted to acknowledge her hard work, and I support this with enthusiasm and I want to thank her publicly for her hard work because without her it wouldn't have happened. So thank you, Health Chair."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, I'll try to be very brief but this is really truly an important bill, and I want to acknowledge my colleague from the west side and I also want to thank him and his support.

"For me, every year in the legislative process I look for themes and I look for lessons learned. This year for me it was about the power of community and the importance of compromise. The power of community is really what pushed this bill forward. This bill is aptly named 'Luke's Law' after Luke Pinnow and his mother Geri, who have persistently come to the Legislature asking for this important insurance coverage, for not just themselves but really for autistic children across the State.

"But the power of community is more than just those two individuals. It comes in the form of the people who came before us over the last two, two and a half years. Numerous people from Hawaii Association for Behavioral Analysis, in particular Amanda Kelly, numerous supporters from Autism Speaks and throughout the community.

"One thing that in particular struck me after last year's passage of the Auditor's Report, I got stopped in Kahala Mall by a public school teacher who had an autistic child and who said to me, and I didn't know who this person was, just said to me, thank you, thank you so much for pushing this, and we know you're going to continue to fight. We received over the course of this bill moving through this session, hundreds of testimony just like that. People, middle class individuals who explained to us the struggles of living with autistic children.

"So for one example, before the Finance Committee, Felix and Lela Kwan of Honolulu. Again, I don't know who these people are, but these people send their child, their autistic son, to my daughter's school, Queen Ka'ahumanu School, which is excellent in providing autistic services and is excellent in providing special education services. But they explained to us that they paid more than $2,000 per month for the service of ABA that they have for their child. But because of that, ABA services that they started last year, they're seeing tremendous progress. Now, this child is in our public school and is getting services, SPED services. With disability now, to be able to access insurance to pay for this, I truly believe that we're going to see better services in our schools and hopefully a reduction on our special education budgets. But that, Mr. Speaker, that kind of testimony speaks to the power of community.

"The second lesson I learned from this journey has been the importance of compromise. And I really want to thank the committee members on the Committees on Health and Consumer Protection and Commerce, because we've gone through a two year journey struggling with this. Struggling with the questions about how do we provide service in a way that contains the cost for businesses, contains the cost for states, contains the cost for individual families. And those are the kinds of questions that we had to struggle through and compromise.

"I also want to thank HMSA, Kaiser, and the Chamber of Commerce, because in this bill we really did reach compromise with the insurance community as well as the business community, and I think we have a better bill. Now, is it perfect? It has age limits, it has caps, but I think those are important compromises that will ensure that we both contain costs and ensure that we get the services that we need to the children who need them. So, Mr. Speaker, again in strong support of this bill, and I think it's truly a good day for this Legislature. Thank you, Mr. Speaker."

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

"Mr. Speaker, strong support. Mr. Speaker, I too wanted to add kudos to the Health Chair, but also the Finance Chair and the super hearing that we had with Mr. Luke. Mr. Luke, who insisted I look like Vladimir Putin, and the Representative from the Big Island looks like the leader of North Korea. He added humor to otherwise a very serious discussion about what we should be doing. We did it, and I want to thank Luke who stands now before us.

"Well done, except as the Chair of Health said, we have had a difficult beginning, and quite frankly, Mr. Speaker, this is phase one. Phase two is, after the parents are not able to take care of all these loved ones, what happens to the next generation? The mainland has houses or, I forget what it's called exactly, but there are places, and the group homes, I think is the term, that we have not even touch on yet. So, Mr. Speaker, we've come a long way, but we've got a ways to go. But thanks to Luke, his family, and all those who came to the Finance Committee as well as the Health Committee. Thank you, Mr. Speaker."

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

"Strong support. I'd like to echo my colleague's congratulations to the Health Chair. I also want to echo the Representative from Hawaii Kai's concerns in the future, that we move towards looking at how to support transition into adulthood. I myself have a cousin with Asperger's Syndrome, and he's I think around 20 years old now, and certainly our family would have benefitted from what we're passing today and I know thousands more will, and I look forward to working with my colleagues to help this grow, to help these people further. Thank you."

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

"Thank you, Mr. Speaker. Mr. Speaker, in support. The Health Chair thanked a lot of people for their compromises, but it's actually the work of the one individual, who is the Health Chair, who with her own strength pulled this measure along for the last several years, and it was the work of her and also in the past CPC Chair as well.

"It actually takes the courage and the strength of that individual who was standing, at probably out of the wee hours at night on Thursday night, with the Autism Speaks folks, with Kaiser, HMSA and other folks huddled around in one of the corners working out a compromise. And folks can have compromises, but it actually takes one individual to make it work, and she was able to do that.

"So it's beyond kudos, for her to accomplish this and bring us to this point is just monumental. In light of the fact that this year she had to work on other tough issues like the hospital bill, connector, on all the other issues that Health Committee had to deal with, for me I just feel humbled that I work side by side with her, so if we could give her a round of applause.

"And if we could have Luke stand one more time, because he has been the face of autism, and he and his parents who were willing to put their child in front of this issue, and he came to pretty much most of the conference committee hearings and all the testimonies. I can tell you, we joke about several things, but for a kid like this and for him to be intellectually sound and to be able to know who Vladimir Putin and Kim Jong-il is, my son doesn't even know that. So people question about autism, but there is intelligence and there is capability, and so this is the poster child and if we could give him and his family a round of applause, because it has been a struggle. So, thank you very much."

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

"Thank you, Mr. Speaker. Mr. Speaker, I was voting with reservations this whole session on this particular measure and standing up on this particular measure hoping we could get it to 18 or possibly 21. And I do understand the Health Chair's commitment on how we've compromised. Unfortunately we had to compromise at 11 years old, but I do pray and hope that in the near future we can move that up to 18, possibly 21 where our DOE provides services up to 21 years of age, as well as Medicaid, and as well as under the federal healthcare act up to 26. So this is an excellent, excellent start, and I'd like to thank the Health Chair. It's taken almost 12 years to get here. And I'd like to thank Luke's family for being that patient family that waited and is now seeing this great day.

"I am not thrilled with the caps. I've heard discussion on this measure, well it may cost every policyholder in the State another $1, $1.50 a month, but Mr. Speaker, when we can help individuals like Luke, price is no option. I do understand the insurance companies, but we must take the best care for all of our children, especially as they age out, and then what we have to help the families with as they become young adults. So I do hope that the Chair continues her great effort and we can get this up to 18 at some point in time, and I'm hoping that's the near future, and then up to 21. But I will be in strong support of this measure, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. I also want to congratulate in particular the Chair of Health for her dogged pursuit of this issue. I know I saw her last year, how sad she was when this was defeated and how crushed the other people in the autism community were. And they came back this year with great strength and resolution and this was passed, and I have to congratulate all of them.

"I think going forward we need to understand something, that we don't understand why autism occurs. I think we need to pursue that issue very strongly, although that will be on a national level, but there are a lot of things we don't understand but we still can do something about them, and this is a great way to move forward on this issue. 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. 791, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AUTISM SPECTRUM DISORDERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 102 and H.B. No. 290, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 290, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"In strong support. I have been a practicing member of the bar since 1985, and even for that long, Kona has needed a courthouse. At that time I remember going to Kona Circuit Court and trying to find out where the courthouse was. It was either in a Kamehameha Hotel conference room for one year, another year in some shop on Mamalahoa Highway. It was like finding a needle in a haystack half the time until they finally found the old Kona Hospital. Even then it was inadequate. It's about time that Kona has its own courthouse, and I thank this Body for passing this bill. Thank you."

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

"Thank you, Mr. Speaker. In support. I would like to acknowledge the efforts of the Big Island Caucus who has made this issue a priority, the funding of the Kona Courthouse, and without their support this would not be possible. I also thank the Judiciary, CJ Recktenwald and Rod Maile, who has been a pretty much constant fixture just to ensure that this is in the budget, and it is right now. They refused to leave, even if they have cases piling up, they refused to leave until this bill passes. We want to thank them for the efforts, but it was really the Big Island Representatives and the Senators who pushed this along, so, great job you folks."

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

Representative Nishimoto's written remarks are as follows:

"In strong support of HB 290, Relating to the Judiciary.

"We have been hearing for many years about the need for a Courthouse in West Hawaii, and this year, we were able to find room in the budget to provide the final funding amount of $55 million for the Kona Judiciary Complex.

"Representative Nicole Lowen was the chief advocate for the Kona Judiciary Complex, and her support was instrumental in securing funding for this project. As a freshman Member of the House she made this her top priority. She brought the Finance Committee to the Big Island to see first-hand the current conditions in Kona. Judiciary facilities in West Hawaii are currently housed in three separate substandard locations—an old hospital building, a strip mall; and an old Home & Garden store in Kealakekua. Upon seeing this, it was clear to me that none of these were designed to accommodate the safety measures needed for a busy courthouse facility, and that the current locations do not have the capacity to accommodate the growing West Hawaii population.

"Many have worked hard over the years to advocate for the Kona Courthouse, and thanks are due to the Finance Chair, the Governor, the Hawaii Bar Association, the Judiciary and the Big Island delegation for their support. In particular, it was the dedicated efforts of the Representative from Kona over the last three years that helped to push this project over the finish line."

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

"Thank you, Mr. Speaker. In support. Quick comment I just wanted to thank Chief Justice Recktenwald for all they do. Definitely in support of this, my only remorse is that we couldn't do a little bit more for them. I know that they have a lot of needs and I know a lot of judges sit on benches here on this island and fly out to the outer islands to try to alleviate the caseload that they're handling. And just as my colleague from my Puna stated, there's a lot of issues on the outer islands with service in the justice system, so I'm just glad that we were able to help a little, and I hope we can help more in the future. Thank you."

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

"Thank you, Mr. Speaker. In strong support and I just want to thank the Finance Committee, the rest of the Big Island delegation, Chief Justice, and the Judiciary."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 290, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 105 and H.B. No. 1069, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1069, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, strong support, permission to enter written comments."

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, the technology industry in Hawaii has grown over recent years and has made significant strides toward achieving the goal of diversifying Hawaii's economy. Many companies compete for federal support through the Small Business Innovation Research (SBIR) grant program, which encourages and funds early stage ideas and innovations. While Phase I funding under the program has provided support for research activities of fledgling Hawaii companies, its use is limited to research, and does not provide any funds for these companies to move past the research and development (R&D) stage onto the commercialization stage that would not only support economic growth and diversification of our economy, but would also go far in creating good paying jobs and reducing the 'brain drain' that has afflicted our state for far too long.

"I rise in support of this measure for the following reasons: One, the bill is important to the technology community but even more meaningful to individual companies as this measure supports direct investment to companies. Two, companies will be held accountable to ensure success of the program and required to meet identified metrics for success. Three, the bill would help establish a profitable, self-sustaining technology industry, not solely reliant on venture capital, and enhance the probability that companies will stay in Hawaii. Four, the focus on commercial sales and local manufacturing will fill the technology cycle and enhance opportunities for broad workplace skills to participate in the technology sector. Five, the Center is not 'high tech' only and will support broad economic engines such as Agriculture, Visitor, Medical, and position Hawaii as a gateway for technology commercialization to the Asia-Pacific region. Six, company successes means creation of technology jobs."

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

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, since 1989, the High Technology Development Corporation has been assisting Phase I Small Business Innovation Research award recipients to reach their commercial potential through the provision of grants. This has proven to be successful for both the businesses awarded a grant and the State.

"Mr. Speaker, HB 1069, HD 1, SD 2, CD 1 adds the receipt of Phase II or III Small Business Innovation Research awards or contracts from any participating federal agency to the qualifying criteria for businesses to receive grants from the High Technology Development Corporation; appropriates funds for the Department of Business, Economic Development and Tourism to provide grants and loans through the High Technology Development Corporation; establishes the Hawaii Manufacturing Capital Grant Program to provide grants to manufacturers for expenses relating to equipment, planning for new facilities, and training programs; and appropriates funds to the High Technology Development Corporation for the Hawaii Manufacturing Capital Grant Program. Mr. Speaker, this expansion will continue moving Hawaii towards a more diversified economy, assist small businesses conducting innovative research with their efforts toward commercialization, and promote manufacturing in Hawaii. For these reasons, Mr. Speaker, I stand in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1069, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 106 and H.B. No. 241, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 241, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 107 and H.B. No. 242, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 242, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING," passed Final Reading by a vote of 51 ayes.

ROUGH DRAFT

Conf. Com. Rep. No. 108 and H.B. No. 1343, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1343, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 109 and H.B. No. 1292, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1292, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 51 ayes.

At 12:16 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1080, SD 1, HD 1, CD 1
S.B. No. 1081, SD 1, HD 1, CD 1
S.B. No. 1082, SD 1, HD 1, CD 1
S.B. No. 544, SD 1, HD 1, CD 1
S.B. No. 661, SD 2, HD 1, CD 1
S.B. No. 1158, SD 1, HD 1, CD 1
S.B. No. 791, SD 1, HD 2, CD 1
H.B. No. 290, HD 2, SD 1, CD 1
H.B. No. 1069, HD 1, SD 2, CD 1
H.B. No. 241, SD 1, CD 1
H.B. No. 242, SD 1, CD 1
H.B. No. 1343, HD 1, SD 1, CD 1
H.B. No. 1292, HD 2, SD 2, CD 1

Representative Saiki rose, stating:

"Could we take a recess until 1:00 p.m., please?"

At 12:16 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 1:16 o'clock p.m.

Conf. Com. Rep. No. 110 and H.B. No. 174, HD 2, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 174, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"I request a ruling a potential conflict. My son would be a beneficiary of this measure. Thank you very much," and the Chair ruled, "no conflict."

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

"Thank you, Mr. Speaker. In support with just a few brief remarks. Mr. Speaker, this is our second insurance mandate bill, and I just want to thank the good work of the Representative from Pearl City who introduced this bill as well as the community that supported this, and in particular Michelle Pestel-Maga and her daughter, Anya, who the bill is named after and is joining us in the gallery today. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I just would like to give a little clarification, I don't see this as an insurance mandate, this is insurance benefits for a community that needs them. And I think when you look at the four cents per subscriber cost and the benefits for family's like Anya's, clearly the return on investment is huge at a very minimal cost. In support, comments to the Journal, too. *Mahalo.*"

Representative McKelvey's written remarks are as follows:

"This measure would promote quality health care procedures in the State by requiring health coverage for medically necessary orthodontic treatment of orofacial anomalies. Based on the State Auditor's report, the financial impact on health insurers is expected to be minimal. Reports from California and Massachusetts indicate that mandated insurance coverage for orofacial anomalies increased premiums by two to four cents, or less, per member per month.

"Children who are born with cleft lip and/or palate and other abnormalities have problems speaking, eating, as well as ear and dental problems. Treatment includes management by a multidisciplinary team involving the pediatric dentist, orthodontists, oralmaxillofacial surgeons and other specialists to address oral and jaw abnormalities. In order to ensure the best results, this treatment must begin while the child is still developing and may require up to three separate phases of orthodontic treatment. I've heard firsthand, that these treatments and surgeries are often painful for the *keiki.*

"Mr. Speaker, most private health insurance plans in Hawaii do not cover these services. This creates a significant financial hardship to working families trying to make ends meet. This measure serves lower and middle income families who have to pay for the numerous surgeries and provide for their loved ones afflicted with orofacial anomalies. It should be noted that the orthodontic treatment of cleft lip and palate is not cosmetic, it is part of medical treatment due to the congenital birth defect. Improving access to health care services contributes toward eliminating disparities and improving the health of Hawaii residents."

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

"Thank you, Mr. Speaker. In support. I just wanted to thank Anya's mom for waiting so long to hear this and see the passage of this bill, and for all those constituents out there that take the time to get involved in the process, we're so grateful for your involvement. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 174, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 111 and H.B. No. 448, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 448, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 112 and H.B. No. 581, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 581, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Just in strong support. Comments to the Journal, please."

Representative McKelvey's written remarks are as follows:

"Recognizing that Medicaid payments to hospitals were far below the actual costs of care, the Legislature created the Hospital Sustainability Program by enacting Act 217, SLH 2012, which increases Medicaid payments to hospitals. The program achieves this by assessing a fee on hospitals, using the revenue to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to the hospitals.

"Specifically, non-government hospitals are assessed an annual fee based on their patient revenues. Payment is based on the amount of a hospital's uncompensated care, which consists of nonpayment by

uninsured patients and underpayment by Medicaid. Although the fees and payments are different for every hospital, the overall goal of the program is being achieved. Medicaid payments to many facilities are now closer to the actual costs of care, thereby reducing their losses and improving their financial stability. As such, the Hospital Sustainability Program ensures that Medicaid patients will continue to have access to the hospital care that they need. It is important to note that the program requires no state or taxpayer funding. The program actually generates revenue for the State and its healthcare facilities.

"The revenue generated by this fee is used by the State to draw down matching federal funds. For the last several years, as hospitals have faced declining federal payments for providing care to the un- or underinsured patients, the Hospital Sustainability Program has allowed the State to support the provision of uncompensated care.

"Mr. Speaker, this bill helps the State and Hawaii hospitals utilize this program to leverage much needed federal dollars. A sustainable hospital network and health care industry is vital to the health of our employees, business, and our overall quality of life."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 581, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 115 and H.B. No. 1440, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1440, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 116 and H.B. No. 576, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 576, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE AFFORDABLE CARE ACT INNOVATION WAIVER," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 118 and H.B. No. 1366, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1366, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I support this measure. I support the intention of this measure because it looks to save the State of Hawaii millions of dollars in rental fees should a purchase, say of Alii Place, be approved. However, it is my firm conviction that we must also focus efforts to move more government offices to West Oahu where more and more people are buying homes to help deal with traffic. If you can live near your work, that's better for everybody. I only ask that we begin to look at that as well. Thank you."

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

Representative Har rose in opposition to the measure and asked that the remarks of Representative LoPresti 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 H.B. No. 1366, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE ACQUISITION OR DEVELOPMENT OF REAL PROPERTY," passed Final Reading by a vote of 48 ayes to 2 noes, with Representative Tokioka voting aye with reservations, with Representatives Har and Say voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 119 and H.B. No. 158, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 158, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you. In strong support and permission to enter comments into the Journal. Thank you very much."

Representative McKelvey's written remarks are as follows:

"This measure appropriates funds to the Department of the Prosecuting Attorney of the County of Maui for the prosecution of cases under the Drug Court and Mental Health Court programs.

"Since Hawaii's first Drug Court Program was incepted on Oahu in 1996, Drug Court has expanded to the neighbor islands serving offenders within those Criminal Court and Family Court Systems. Because the design and structure of each Drug Court is developed locally, these programs are unique and sensitive to the cultural population of each island while remaining consistent with the benefits of drug court programs nationwide.

"These programs are an efficient use of state resources, with Adult Drug Court costing about $137/day in comparison to incarceration that costs seven times more, and Juvenile Drug Court costing $227/day in comparison to incarceration that costs six times more. Deputy prosecuting attorneys play an important role in Drug Court, ensuring that this program is a success. Furthermore, they truly want to see offenders turn their lives around, which also decreases criminal activity in our community.

"Another state mandated program, the Mental Health Courts, plays a key role in assuring offenders get the appropriate treatment. Deputy prosecuting attorneys are highly aware of those undergoing depression, post-traumatic stress disorder and other mental disorders, as many have additionally been victims of various types of violence. The Deputy prosecuting attorneys work hard in these courtrooms to ensure that the proper sentencing is implemented.

"The funding of these programs are essential for Maui prosecutors and will ensure the Drug Court and mental health programs continue to make a positive effect on the citizens of Maui."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 158, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO THE DEPARTMENT OF THE PROSECUTING ATTORNEY OF THE COUNTY OF MAUI," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 120 and H.B. No. 832, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 832, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I'd like to vote with reservations on this measure and offer comments. Thank you. I have some serious concerns that were really highlighted by the Higher Ed Chair before, but I'd like to reiterate them on the Floor now. My concern is that with the UH Lab School, Mr. Speaker, it was changed to be a charter school, and while that might have been good intentions it actually puts the charter school possibly in violation of the Fourteenth Amendment of the Constitution because they have to discriminate in order to do laboratory research with students in

education. If it's a charter school, by law they're not allowed to discriminate. Unless the UH Lab School was put back under, I believe, the full administration of the University of Hawaii, then they could do the lab work necessary.

"So it can either be a lab school, or it can be a charter school. I don't think it can be both, because currently it's a violation of the Fourteenth Amendment, and even with this bill it will be a violation of the Fourteenth Amendment. The bill still does good things, that's why I'm in favor of it, but I still have reservations because I think we need to look at reclassifying that particular charter school. Thank you."

Representative Pouha 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. With reservations. Similar concerns as my colleague from Ewa Beach, just the precedent that we're setting for other public charter schools. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 832, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representatives LoPresti, Pouha and Tupola voting aye with reservations, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 123 and S.B. No. 273, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 273, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Mr. Speaker, with reservations. Although I truly understand what this intent is for and I do understand the plights that we have on our public streets and sidewalks and some of the sweeps that occur and individuals losing some of their personal documentation. Although there are ways and manners for them to retrieve them without cost. This is to help individuals that might lose something completely and have it be able to be replaced.

"My concern lies with who can provide the documentation to document their physical address. I think it's a little too broad. I appreciate the task force to dig a little bit deeper in this, and hopefully next year we'll come out with a little bit tighter measure and be able to correct some of this. But right now, Mr. Speaker, with reservations."

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION CARDS," passed Final Reading by a vote of 50 ayes, with Representative Jordan voting aye with reservations, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 125 and S.B. No. 1324, SD 2, HD 1, CD 1:

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

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

"Mr. Speaker, I really hate to speak on a measure such as this. This does deal with a former spouse and having to pay benefits for this former spouse under some arrangement due to a separation or a divorce. The challenge is, Mr. Speaker, is during testimony along the way we found out that it could cost our state system $2 to $3 million to be able to implement this. The challenge is recalculating that particular cost when there might be a cost of inflation put in to their payments, or a child ages out from 18 to 21, or if they go on to college up to 26, those benefits would have to be recalculated every single time. And at what point in time will we be held liable for the miscalculation?

"I appreciate the measure by putting in some fees for calculating some costs, allowing the board to come up with those fees. I do appreciate with limiting at 10% to the payee, but at this point in time I would have to stand with reservations on this particular measure, Mr. Speaker. Thank you."

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

"In strong support. As I stated earlier, every other state other than the State of Hawaii already has laws on their books regarding division of pension plans in divorce situations. So it's not unheard of for the State of Hawaii Employee Retirement System to follow suit. It's a long time in the making, it disallows victims of domestic violence from having to face their abusers again when it's time for them to ask for their share of retirement. This allows for divorced spouses to remain divorced and not have to hire attorneys again, 50 years down the line when it's time to get their share of their pension plans.

"There are fees in the measure so that the Employee Retirement System can recoup whatever their costs are, and I'm sure in time there will be adjustments to those costs. But it's high time that we protect victims of domestic violence when it comes times for divorce. Thank you."

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

"Thank you, in support. In addition to what was brought up by the Representative from Puna, what we learned in the Finance Committee is that the employee, the person who receives the pension, even during the divorce, gets assessed the entire taxes. So in order to avoid that, there needs to be some division so that the pensioner doesn't pay for the full amount of taxes that should be paid by the ex-spouse as well. Thank you."

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

"Thank you. Mr. Speaker, in support, and I would just like to commend the two prior speakers for speaking so eloquently and with very good explanations in support of this bill. 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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DIVORCE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Jordan voting aye with reservations, with Representative Kong voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 126 and S.B. No. 1028, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1028, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, in the words enshrined by Kenny Rogers, you've got to know when to hold them, you've got to know when to fold them, you've got to know when, okay sing with me now, you've got to know when to walk away and know when to run, Mr. Speaker. My speech is about running away from this baby.

"Mr. Speaker, the problem is, we have a superior healthcare program. Right now it's called the Prepaid Health Care Act. It's been around since 1970. But this bill says, let's gamble another $2 million. Let's put another $2 million down on the table and see if we can make this thing work. HMSA, HMAA, Kaiser, all these guys are doing a great job.

"What we've got here is a bill that's going to pretend that we're going to make everything live happily ever after. The bill is about getting a waiver, that I'll admit, that's the only reason to even speak about a bill like this,

pouring the money in that we have. But if we're going do just for the wavier, which we've got to wait for another two years, 2017, what should this Legislature do? My suggestion is we just keep it on life support. We just keep it alive so we can tell the feds, yeah, we have a connector, but we're not putting in money after money, good money after bad, Mr. Speaker.

"That is the best way to do when you know that you're going to be having a losing hand, as we had at this one. It's $202 million that they've put in, and basically if you put the zeros behind in stud poker, you've got a pair of deuces and you're waiting for the next bet to stick in another $2 million in the hope, just the hope, that you're going to win. This is gambling with taxpayer's money, its foolishness. I think we should get out of it, we should run, fold our hand, cut our losses and do the right thing by voting against this. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I wasn't going to plan on speaking on this bill but after hearing the country words of my colleague I felt compelled, because you know, Mr. Speaker, in order to run you have to be able to run. And that's something that I think he keeps forgetting in all of this. He keeps acting as if this Body is initiating this ACA, a federal mandate to which the State is bound by the superior laws of the federal government. What this bill is, is life support for a state exchange because we do have a superior health system in prepaid.

"That's the whole point of this and that has been the whole point all along. Every day the chaos and calamity of the unintended consequences of not harmonizing a federal mandate with our state law is going to cause the true chaos. Just another one came up to me the other day.

"This Body took the steps several years ago to define small business groups as 50 employees or less. If we fold them, as the good speaker says, surrender and put our cards on the table, then the federal government will come in with their hand, which is the facilitated exchanged. Their small employer group, the rules engines do not respect prepaid. Their small employer group is 100 or less. Now, all of these businesses in Hawaii, Mr. Speaker, small businesses with higher age employees than the national average, will get this great thing called age banding, and they'll get to see their premiums take a nice jump, Mr. Speaker. And that's one of many tales I can tell and the Health Chair can tell and the Finance Chair can tell.

"What it really boils down to is under the gun of a federal mandate, a gun of a federal mandate we are trying to protect, yeah, what prepaid and what is unique to Hawaii. I'll say it once, I'll say it again, if we could spin the clock back, we should have done a Race to the Top model where the feds would have just given the states funding to find the ways to close their own uninsured gaps, and we wouldn't be having this conversation because we would be at 100%. That's how much I believe that this Body and our Body has been able to address the issue of uninsurance and insurance in Hawaii. But as long as we have to operate under federal mandate, Mr. Speaker, we're trying to make sure that we don't lose what we've taken for granted for so many years, the prepaid generation. That's why I stand in support of this life support measure. Thank you very much."

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

"Thank you, Mr. Speaker. In support, and I do want to commend the CPC Chair and the Health Chair for continuously struggling with this issue. I do understand the concern of the Representative from Hawaii Kai, but at some point in time we need to kind of take a step back to see if the option of joining the federal exchange will jeopardize the Prepaid Health Care law of the State of Hawaii.

"In the meantime, the Health Connector has ranged from asking for $28 million to $7 to $9 million, because of the wisdom of both the CPC Chair and the Health Chair. Instead of requiring different mandates and requiring health insurers to come into the connector, instead of that approach, what they have done in this bill is just an appropriation in the meantime just to figure out what the consequence of the health exchange or the federal exchange and the Prepaid Health Care Act is, and at the same time not jeopardizing all the tax credits that the small businesses would be entitled to through the connector, which may not be available through the health exchange. So it's giving at least the legislators some time to figure out the interchange between the federal mandate and what we need to do on the State side. 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. 1028, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR," passed Final Reading by a vote of 41 ayes to 9 noes, with Representatives Choy, Cullen, Har, Kong, San Buenaventura, Thielen, Tokioka, Tupola and Ward voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 127 and S.B. No. 1297, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1297, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Har, Say, Thielen and Tokioka voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 128 and S.B. No. 519, SD 2, HD 3, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

At 1:36 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 174, HD 2, SD 1, CD 1
H.B. No. 448, HD 1, SD 1, CD 1
H.B. No. 581, HD 1, SD 2, CD 1
H.B. No. 1440, HD 1, SD 1, CD 1
H.B. No. 576, HD 1, SD 1, CD 1
H.B. No. 1366, SD 2, CD 1
H.B. No. 158, SD 1, CD 1
H.B. No. 832, HD 1, SD 2, CD 1
S.B. No. 273, SD 2, HD 2, CD 1
S.B. No. 1324, SD 2, HD 1, CD 1
S.B. No. 1028, SD 2, HD 1, CD 1
S.B. No. 1297, SD 1, HD 1, CD 1
S.B. No. 519, SD 2, HD 3, CD 1

Conf. Com. Rep. No. 129 and S.B. No. 892, SD 2, HD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 892, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OMNIBUS HAWAI'I RESILIENCE AND SUSTAINABILITY STRATEGY," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Tupola voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 130 and S.B. No. 423, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 423, SD 1, HD 1, CD 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 Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 131 and S.B. No. 524, SD 2, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT MAKING A GRANT TO THE HAWAII COUNTY OFFICE OF THE PROSECUTING ATTORNEY," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 132 and S.B. No. 1305, SD 1, HD 1, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO THE COUNTY OF KAUAI OFFICE OF THE PROSECUTING ATTORNEY," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 133 and S.B. No. 1214, HD 1, CD 1:

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

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

"Thank you, Mr. Speaker. Sorry to stop the roll, but this is the special purpose revenue bonds for Hawaiian Electric, and I'm rising to speak in opposition. Thank you. Mr. Speaker, I really want to thank the Finance Chair because Finance and the Committee lowered the amount from $800 million in special purpose revenue funds for Hawaiian Electric, lowered it down to $80 million. My preference is that they would have put it down to $8 and with the message to Hawaiian Electric, you're selling, you're selling to NextEra, an entity that is immensely wealthy, that pays the lowest percentage of taxes of any utility or mega business in the nation, so they don't even participate in paying taxes that most other companies do. They're coming in to take over Hawaiian Electric, so why on earth do we want to allocate SPRB money to an entity that may very likely not even be here in a year.

"Now, I know that the Chair of Energy & Environmental Protection tried to put in some very good provisions in that bill. I was still opposed to the bill, even when those were in, because I felt they wouldn't stay in the bill. Well, they didn't, they're gone. So all it is $80 million for Hawaiian Electric that's saying, we're selling to NextEra, this immensely wealthy corporation, and we're out of here, folks. And yet we're going ahead with $80 million in SPRB money for them.

"I think it's a wrong, wrong decision. I think we should have sent a much stronger message to Hawaiian Electric, we'll wait to see, Hawaiian Electric, to see what the Public Utilities Commission does. In the event they turn down your sale to NextEra, which I personally hope they do, Mr. Speaker, in the event they turn that down, then come back to us and come back with your plan of what you're going to do to facilitate the renewable energy projects for communities, for individuals, for businesses, and then we'll talk to you about SPRB money. But I am strongly, strongly in opposition of this measure. Thank you."

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

"Mr. Speaker, ruling on a potential conflict. I am a shareholder in Hawaiian Electric Corporation. Thank you very much," and the Chair ruled, "no conflict."

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

"In support, Mr. Speaker."

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

"Mr. Speaker, I'd like to disclose a potential conflict of interest. I am also a shareholder of Hawaiian Electric stock. Thank you," and the Chair ruled, "no conflict."

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

"In support. Just very briefly, whether a potential takeover goes through or not for Hawaiian Electric Company by NextEra within the next 12 to 18 months, we have an obligation to ensure that projects that lower the cost for grid maintenance, upgrades that allow more solar to get online, homeowners to save money that way as well, continue. And so by decreasing the amount of this SPRB and focusing on the projects that the utility can start right now, that they ought to be starting right now, whether there's a deal or a merger or not, I think is the prudent course of action.

"In the long term, however, because we've reduced the amount of the SPRB, the utility will have to come back, whether it's HECO, NextEra or anyone else, and reapply for that on the basis of the merits of whatever that entity is at that point in time. Until then, we let them continue their operations so that there is uninterrupted service, and I do hope in the long term we do have a better solution and a better utility that evolves out of wherever this is going that benefits the public interest first and foremost. But until that time, we do have an obligation to carry forward. Thank you."

Representative Thielen rose to respond, stating:

"Second time, still in strong opposition, Mr. Speaker. I thank the Chair of EEP for his comments, but the point is, the Chief Financial Officer of Hawaiian Electric came to our hearing. When I said, here's what you're asking for, to do projects, *et cetera*, what are you going to do? She sat there and looked at me and was not able to answer at all. She couldn't say, Chief Financial Officer, could not say what they were going to use that money for. One of the projects, I surmised, could be reinstituting their interisland cable. She couldn't say. She didn't know.

"So if you had a major corporation come before you and you had the Chief Financial Officer, and you said to her or to him, what are you going to spend the money on? You're asking us to approve this SPRB, and at that point it was $800 million, what are you going to spend it on? And if the person across the desk from you sits there with a blank stare and no answer, you, as a prudent individual, would not approve that. You would not approve that money. But today we are doing that, and I think it is a absolute wrong thing to do. Thank you."

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

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

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

"In support with reservations, and I would like the words of both the Chair of EEP as well as the words of the second rising of the good Representative from Kailua entered into the record as if they were my own," and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, in opposition. May I have the words of the first and second rise of the Representative from Kailua," 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. 1214, HD 1, CD 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 Final Reading by a vote of 43 ayes to 7 noes, with Representative McKelvey voting aye with reservations, with Representatives Fukumoto Chang, Matsumoto, Ohno, Pouha, Thielen, Tupola and Ward voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 134 and S.B. No. 1050, SD 2, HD 3, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1050, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Jordan voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 135 and S.B. No. 349, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 349, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Please note my reservations, Mr. Speaker. Although this is a tax credit, normally I do stand up and oppose tax credits, I think this is a one that I should support. This brings in for renewable resources for our energy sources, so I think I will be supporting this. This does have a five year cap with $3 million a year, so I appreciate the intent of the Chairman of the Committee, and I look forward to seeing the renewable resources come into our 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. 349, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 50 ayes, with Representative Jordan voting aye with reservations, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 136 and S.B. No. 359, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 359, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, in opposition. Mr. Speaker, this is middle class killer bill number five, because it misses an opportunity to save our taxpayers money. Mr. Speaker, this takes, and I'll name the name that is between the lines here, LNG. It's an anti-LNG. It's trying to say that we don't need to diversify and use the nation's most resourceful, most plentiful resource that we have. LNG is probably deposited more in the United States than any other place in the world.

"We also are missing the opportunity to diversify our renewable portfolio, or by using another source other than petroleum. So in effect what we're doing, we're saying, LNG stay out, we're going to give you exactly what taxes are on all the other things, even though coal is exempted, Mr. Speaker, the worst pollutant is grandfathered out of this particular bill, but we're also saying that LNG is not welcome in Hawaii. And, Mr. Speaker, this is a way that if electricity does goes up in price, it's because of a bill like this. If LNG does come in, it was missed opportunity for our middle class to say, hey yeah, maybe we've got an opportunity here to save some money. With this bill, not so. 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. 359, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD SECURITY TAX," passed Final Reading by a vote of 37 ayes to 13 noes, with Representatives Aquino, Cullen, Fukumoto Chang, Har, Kawakami, Matsumoto, McDermott, Pouha, Say, Tokioka, Tupola, Ward and Yamane voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 139 and S.B. No. 1001, SD 2, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1001, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Senate Bill No. 1001, SD 2, HD 1, CD 1. The purpose of this bill is to establish and appropriate funds for the 'Manufacturing Development Program', through which the High Technology Development Corporation shall distribute grants, up to $100,000 each, to Hawaii manufacturers for various activities.

"While I appreciate the intent of this measure to incentivize manufacturing in the State of Hawaii, to create jobs, and to diversify our economy, I am concerned about which manufacturers these grants may be extended to. 'Manufacture' is not defined in Chapter 206M of the Hawaii Revised Statutes. However, it is defined in House Bill No. 321, and these grants may be extended to manufacturers that operate medical marijuana production centers. I do not believe that it was the purpose or intent of the Legislature to extend these 'manufacturing grants' to those who will profit from medical marijuana dispensaries in our state, but unfortunately, the language is silent in SB 1001 as to what businesses are precluded. As such, Mr. Speaker, I must vote in opposition to Senate Bill No. 1001."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1001, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MANUFACTURING," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Har voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 142 and H.B. No. 553, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 553, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Mr. Speaker, I rise with reservations. One sentence and one sentence only, Mr. Speaker, and this is from UH directly. We can't afford this increase by unionizing our graduate teaching assistants. That's their statement. My statement is in agreement with that because of their budget difficulties.

"My second point is, as the cost of the university increases because of this, there probably, likely, will be an increased reliance on graduate teaching assistants, of which I was one, and some others in this group also were having the same experience. But the fact is, as in the medical profession, the higher costs for doctors and the rarity of getting doctors, the more RNs and physician assistants become basically the doctors in the room. It is quite possible that with this unionization of teaching assistants, suddenly they're going to become the professors, suddenly they're going to dominate the classrooms, suddenly we're going to say, hey, what's going on with the quality of education, we don't even have our professor in the classroom. Well, because of the cost of what increases are right here, which UH says they can't afford, of which now we may be in the long run really shortchanging the university students in the State of Hawaii. Thank you, Mr. Speaker."

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

"In strong support. Someone can't afford to pay fair wages for good labor, then they can't afford to have those people employed. I am proud that we're passing this. When I came to Hawaii in 1999 to go to grad school at UH Manoa, grad students we're talking about this. And I thought one day maybe I'd be in a position to do something, but I never thought I'd be here. And here I am, I get to vote on it, and I'm very proud of that fact.

"There are a lot of abusive relationships between graduate students and professors. There are many good ones as well. But this will protect those students, to give them the right to organize and the dignity of organization that we afford to many other people who work in this country. Graduate

students labor all day and all night for some of the things that they do, and they deserve this protection. So I stand in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 553, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Final Reading by a vote of 50 ayes, with Representative Ward voting aye with reservations, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 145 and H.B. No. 547, HD 2, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 547, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Fukumoto Chang voting no, and with Representative Tsuji being excused.

At 1:52 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 892, SD 2, HD 3, CD 1
S.B. No. 423, SD 1, HD 1, CD 1
S.B. No. 524, SD 2, HD 1, CD 1
S.B. No. 1305, SD 1, HD 1, CD 1
S.B. No. 1214, HD 1, CD 1
S.B. No. 1050, SD 2, HD 3, CD 1
S.B. No. 349, SD 2, HD 2, CD 1
S.B. No. 359, SD 1, HD 1, CD 1
S.B. No. 1001, SD 2, HD 1, CD 1
H.B. No. 553, HD 1, SD 2, CD 1
H.B. No. 547, HD 2, SD 2, CD 1

Conf. Com. Rep. No. 146 and H.B. No. 541, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 541, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 147 and H.B. No. 540, HD 1, SD 2, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 540, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 148 and H.B. No. 1296, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1296, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Ruling on a potential conflict. I do have an interest in a renewable energy consortium. 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 H.B. No. 1296, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 149 and H.B. No. 1471, HD 2, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1471, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"With reservations, Mr. Speaker. Some of my reservations is only with one part of this. Unregrettably, we lost Act 179 from last year and that funding for our adult dental care. Unfortunately with the restriction on the dollars we have this year we weren't able to provide additional moneys this year to actually make that a very bonafide and fruitful program for our adults. So unregrettably, that's what my reservation is with this. Hopefully in the future we can provide those services to our participants in our Medicaid program, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1471, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FUNDING OF GOVERNMENT PROGRAMS," passed Final Reading by a vote of 50 ayes, with Representative Jordan voting aye with reservations, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 151 and H.B. No. 444, HD 3, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 444, HD 3, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Just in strong support, Mr. Speaker. Permission to enter comments into the Journal."

Representative McKelvey's written remarks are as follows:

"Mr. Speaker, our beaches are the backbone of Hawaii's $15 billion tourism industry and are central to Hawaii's unique culture and lifestyle. Unfortunately, Hawaii's beaches are being lost at alarming rates due to natural processes and human impacts. According to the United States Geological Service National Assessment of Shoreline Change for the Hawaiian Islands, 70% of Hawaii's beaches are eroding and 13 miles of beach have been lost over the last century. Beach erosion effects shoreline access, recreation and cultural activities, coastal environments, and our tourism based economy.

"This measure provides for the implementation of beach restoration and sand nourishment as part of a viable management strategy for Hawaii's special resource.

"Improved funding for the Beach Restoration Special Fund through the TAT would greatly improve the State's ability to partner with county and local entities on beach restoration and conservation projects statewide. The increased funding would assist the counties in priority projects such as locating and stockpiling beach quality sand, which is in very short supply for restoration projects. Furthermore, increased funding will allow the State to assist the counties and local stakeholders in conserving key public and visitor beaches beyond major resort areas such as Waikiki.

"With the constant issue of beach erosion present on our state's shores, it is important that we not only look at restoration solutions but also a plan for conservation by effectively slowing the degradation of our beaches."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 444, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BEACH PROTECTION," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 152 and H.B. No. 830, HD 1, SD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 830, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Strong support, written comments."

Representative Yamane's written remarks are as follows:

"Thank you Mr. Speaker. I rise in support of H.B. 830 which creates an exemption for proposed projects on privately-owned single-family detached dwelling units that are not designated or nominated for the Hawaii Registry of Historic Places or the National Registry of Historic Places from the historic review requirement of Section 6E-42, Hawaii Revised Statutes.

"Mr. Speaker, nearly 40% of existing private residences on Oahu were built before 1970 and, if not already reached, are approaching 50 years of age. To protect the historic value of properties, historic preservation law requires review by the State Historic Preservation Division of the Department of Land and Natural Resources followed by an issuance of permits before any proposed projects or renovations are commenced. However, this requirement in some cases has delayed the granting of permits for a period of as many as months. This has become burdensome for homeowners and is simultaneously causing an adverse effect on the construction industry.

"In 2014, the Department reviewed over 3,400 permit applications for residences 50 years or older. The sheer amount of permit applications alone should illustrate the demand for a change in the historic preservation process and, in particular, the inclusion of the exception noted in this bill. The Department noted that most of the permit applications reviewed were for projects that would not affect the historic quality of the home. Adding the exemption to the historic preservation law would not only lift some of the burden off of homeowners, but would also reduce the workload of the Department. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 830, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL PROPERTY," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 154 and S.B. No. 101, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 101, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Har, McDermott and Say voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 155 and S.B. No. 1312, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1312, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 156 and S.B. No. 1299, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1299, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. Senate Bill 1299, no vote, Mr. Speaker, and I'd like to explain why. This measure is relating to the disposition of tax revenues and particularly the conveyance tax. What it does, I realize that the Finance Committee is trying to reduce the number of special funds and I understand that and put money into the General Fund, thereby requiring these different sectors to come and justify their application for funding.

"The problem is, when it's the environmental and natural resource sector, those historically have been given an infinitesimal sliver of our budget. I used to bring in a circle showing the different sectors. Education, quite large, which it should be, other areas, and then you had to get a magnifying glass out to look for the environmental natural resources sector.

"If we don't give them their traditional funding and if we as we are in this bill removing the dedicated funding for some of these natural resource programs, it's very likely that they will struggle severely and not be able to perform their purpose, their work. And we all suffer from that, because Hawaii is noted for its beauty, it's environment, it's natural resources. But unfortunately, the funding to care for those areas is extremely limited.

"One thing we did have with this, before this bill, was a dedicated source. And those entities, those sectors, could feel confident they could go ahead and perform their role in preserving our natural resources in this state.

"I am voting no, but with respect to the Chair of Finance I understand why she has done this, but I would hate to bring in a pie shaped chart next time and then hand out 51 magnifying glasses and challenge Members to find the infinitesimal sliver in the pie chart where we're really protecting our natural resources and funding those services. Thank you."

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

"Thank you, Mr. Speaker. In support. I do appreciate the comments of the Representative from Kailua and I do share a lot of her concerns. What had happened with this is that during the legislative process what we have learned is that the conveyance moneys were being used for NARS. What the Attorney General's Office has stated in the meantime is, apparently DLNR was collecting what was coming from conveyance to NARS and the NARS fund has about $7 million in ceiling. So they would keep $7 million, any excess of conveyance would not remain in NARS but it would be rededicated to LNR 402, which is the fire protection, and LNR 172, which is forest resource management and development. So a total of about $18 million has been going to NARS, and NARS in turn retransferred some of the excess money to other programs that didn't have enough funds.

"In the meantime, the Attorney General's Office has made a ruling that transfers also must comply with the ceiling. So between ceiling and expenditure, NARS could only expend $7 million. So we were trying to correct that error. So it wasn't just to convert special funds to general funds. It was unauthorized and illegal transfer that DLNR was, I guess, trying to correct and we were trying to help them correct it. So because of that, we have converted the special funds that were going from conveyance to NARS all to general funds.

"So in this bill what we're doing is we're providing $7.5 million, which is the expenditure for NARS. In addition to that, LNR 172, which is the forestry management, which they wouldn't have any money but we're providing general funds to that in the amount of $2.8 million. In addition to that there would be LNR 402 for fire protection, and fire protection actually doesn't have funds that it collect so it was pretty much dependent on NARS, but because of the restriction by the Attorney General's opinion, they would now have no money. So we're trying to fix that.

"In addition to that, NARS fund was being used for HISC, which is the Hawaii Invasive Species Council. So out of the $7 million allotment, they would be using $3.5 for HISC, but because they are not authorized to transfer any money to HISC, we are making a dedicated amount of $4 million on top of that.

"So we have spoken to DLNR and we're trying to work on a workable solution, so the last conversation was on April 30th, and they said, if we provide them $4.1 million, it would make them whole so that they can at

least have general funds for a lot of these programs. I think it is kind of fortunate that we were able to find some of these errors so that we can make DLNR whole, and so I hope the Representative will understand we're not trying to penalize but we're trying to see if we can support these programs and correct the mistake of unauthorized transfers. Thank you."

Representative Thielen rose to respond, stating:

"Thank you. I thank the Chair of Finance and my offer still stands. I'll bring in magnifying glasses next session. My hope is that we won't need to use them, that we'll see that the areas that are so important to us are taken care of adequately in the budget. Thank you."

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

"In support. I'd like to take a second to thank the Finance Chair and also the Water & Land Chair for their work on a part of this bill, specifically relating to Kahoolawe. I'd like to use the magnifying glass that the Representative from Kailua would like to donate to find in previous years' budgets the amount of money allocated from the State of Hawaii towards Kahoolawe, because you wouldn't find it with a magnifying glass. This is the first time, in this bill, in the history of the State of Hawaii, that we've allocated funding for the preservation and restoration of the island of Kahoolawe.

"So once again I'd like to thank the Finance Chair, the Water & Land Chair, and those Members for pushing for funding. I know some people will say it's not enough. I think it's a good first step. Keeping the boats running to that island to continue the work on that island is very important. So, thank you."

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

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

"Mr. Speaker, I'll be voting in opposition. The Floor Leader has my green slip, but more importantly, I'd rather go back to the history of why this particular conveyance tax was assessed upon every real estate transaction, and how this Body along with the Senate did their very best in earmarking these funds on a percentage basis. My thoughts, to the Chair of Finance, which is an excellent point about the transfer, was to just life the ceiling of the $7 million to NARS. And the reason we're forgetting about the $7 million ceiling or cap is because of the real estate market that is so hot today whereby every transaction there is a conveyance tax.

"So that's the reason, because if we go to what I believe the Representative from Kailua is saying, I believe she's absolutely right. Each Member of this House will be responsible to determine how much they will be getting from the General Fund, which will be lost in the overall General Fund budget.

"This past session I was just shocked, and I apologize to the Members and to the people of the State of Hawaii, that listening to the confirmation of Mr. Carleton Ching, how much does the Department of Land and Natural Resources receive from the Legislature in general funds. Was it 3% of our general funds or 4%? And here we are trying to protect our beautiful pristine environment.

"With this dedicated source, you folks will know that these programs will be taken care of. But once you swipe that money out to the General Fund, it will be competing with all other programs that we have discussed here on the Floor of the House this morning and this afternoon with separate appropriation measures. And I think the Kailua Representative is correct, too. It's very difficult to have a voice here when they're in the forest or in the ocean and trying to protect our natural environment.

"So that is the reason why, very honestly and sincerely, I am voting no, because of the historical perspective of why the conveyance tax was created. Thank you."

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

"Mr. Speaker, standing in support. Thank you, Mr. Speaker. In regards to some of the comments made previously regarding the need for moving the current disposition of taxes out of conveyance to general funds, Mr. Speaker, I understand and I agree with the Chair of Finance as well as the Chair of WAM on why they move the funding to the General Fund and do it on a general fund appropriation, Mr. Speaker. It is important as a Legislative Body to understand and be aware of all of the transfers and the use of the money, and that we can account to our constituents, dollar for dollar, its uses.

"This measure and moving this method forward not only agrees with what the Attorney General and Budget and Finance has stated needed to be done, but also gives the control and the emphasis back to the Legislature, where we set policy, Mr. Speaker. One of the issues that has come up is for us as a Legislature to be aware of what's going on out there. How is our department working to enhance and protect our environment? And this is where now as a Legislative Body we can use through funding and policy to make sure that our most needy areas are protected and ensured for future generations. Thank you, Mr. Speaker."

Representative Luke rose to respond, stating:

"Still in support and I would like to adopt the words of the Water & Land Chair as my own. I think the worst thing that we can do in this position is increase the ceiling, because if we just increase the ceiling we are pretty much neglecting our legislative authority to figure out how we're going to spend these monies. If the priority of this Legislature is to do away the invasive species management, then why are we leaving it up to DLNR? Certain years they were only spending about $3 million or less, so why isn't it the Legislature's prerogative to figure out exactly where we need to put various monies instead of giving a huge ceiling to the various departments for them to decide how they're going to use the various funds. That's not good transparent budgeting. Thank you," and the Chair "so ordered." (By reference only.)

Representative Cullen rose in support of the measure and asked that the remarks of Representative Yamane 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. 1299, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Oshiro, Say, Thielen and Tokioka voting no, and with Representative Tsuji being excused.

Conf. Com. Rep. No. 157 and S.B. No. 1180, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1180, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO METROPOLITAN PLANNING ORGANIZATIONS," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 159 and S.B. No. 1083, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1083, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 160 and S.B. No. 654, SD 1, HD 2, CD 1:

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, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGNS," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

Conf. Com. Rep. No. 162 and S.B. No. 1077, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1077, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Tsuji being excused.

At 2:11 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 541, HD 1, SD 2, CD 1
H.B. No. 540, HD 1, SD 2, CD 1
H.B. No. 1296, HD 2, SD 2, CD 1
H.B. No. 1471, HD 2, SD 2, CD 1
H.B. No. 444, HD 3, SD 2, CD 1
H.B. No. 830, HD 1, SD 1, CD 1
S.B. No. 101, SD 1, HD 1, CD 1
S.B. No. 1312, SD 1, HD 1, CD 1
S.B. No. 1299, HD 1, CD 1
S.B. No. 1180, SD 2, HD 1, CD 1
S.B. No. 1083, SD 1, HD 1, CD 1
S.B. No. 654, SD 1, HD 2, CD 1
S.B. No. 1077, SD 1, HD 1, CD 1

At 2:12 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:19 o'clock p.m.

LATE INTRODUCTIONS

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

Representative San Buenaventura introduced Ms. Tania Cortez-Camero, the daughter of one of her tai chi members; Ms. Kat Brady, Coordinator, Community Alliance on Prisons; and Mr. Henry Curtis, Executive Director, Life of the Land.

Representative Har introduced from the City and County of Honolulu: Mayor Kirk Caldwell; Ms. Melissa Miranda-Johnson, Administrative Assistant to the Mayor; and Mr. Jesse Van Dyke, Communications Director.

Representative Kong introduced his Committee Clerk, Brenden Burk, and friend Kristine.

Representative Har introduced Mr. Clyde Hayashi, Director, Laborers' - Employers' Cooperation and Education Trust Fund; and Mr. Gino Soquena, Government and Community Relations Director, Hawaii Laborers Union Local 368.

Representative Tokioka introduced from Pacific Resource Partnership: Brooke Wilson and Tyler Delos Santos.

Representative Yamane introduced his classmate, Cory Lum, photographer for Civil Beat.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 169 and S.B. No. 1079, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee and S.B. No. 1079, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were recommitted to the Committee on Conference.

Conf. Com. Rep. No. 163 and S.B. No. 1084, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1084, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 164 and S.B. No. 555, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 555, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. I rise in support. I'll be very brief. I think everyone in the Body recognizes the burden that most of our lowest income constituents pay relative to their peers across the mainland, and it is quite high, which is particularly what makes this bill so notable. This represents one of our foremost mechanisms for offering relief to those constituents in this legislative session, and I just wanted to say a special thank you to the Ways and Means Committee in the Senate as well as the House Finance Committee for allocating the resources to meaningfully reduce the burden for our lowest income individuals. Thank you."

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

"Thank you, Mr. Speaker. In strong support. I would like permission to enter comments into the Journal, and would like to thank our colleague here for such a good bill that our families need, and I've always said he's a very good Democrat. Thank you very much."

Representative McKelvey's written remarks are as follows:

"This measure would relieve the tax burden on low-income individuals. According to a report by the Institute on Taxation and Economic Policy, Hawaii has the second heaviest tax burden in the country for the bottom 20% of income levels. This is because the General Excise Tax (GET) applies to virtually all goods and services purchased in the State, including necessities like food. Therefore, both low and high income individuals are taxed at the same rate for essential purchases.

"The refundable food/excise tax credit was created to offset the inherently regressive impact of the GET on low and moderate income households, and provide targeted relief to low and moderate income individuals. This credit has not been adjusted to keep up with the inflation that has occurred since it was first established eight years ago, in 2007. This measure would adjust the credit accordingly for individuals making under $57,500, with a maximum credit of $170 to individuals with an adjusted gross income under $5,800. This measure also allows multiple exemptions for those with dependent children, providing additional support for families in need.

"Under this measure, low- and moderate-income families that struggle to pay rent and purchase necessities would receive meaningful relief, enhancing their ability to have secure housing, contribute to our local economy, and achieve economic self-sufficiency."

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

"Thank you, Mr. Speaker. Mr. Speaker, in strong support. I am glad at least one of the two tax credit bills made it to the final finish line. Luckily it was this, the food and excise tax credit, and maybe it's the parity with the bill that we'll be talking about soon. They've taken the mindset of saying, let's go from zero to 30 and give them an increase, meaning zero AGI up to $30,000 AGI for a single individuals. And then looking at those married couples and increasing it from the $30,000 AGI up to the $50,000 AGI.

"I really appreciate what we've done with this. Although it will cost us about $6.7 million, I think it's great effort towards the most neediest in our communities and I hope we can look at this again in our near future to

increase it again. I hope we can also look at the low income housing tax credit too, hopefully we can probably pull that off next year. Thank you much, Mr. Speaker."

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, today I rise in strong support for SB 555, SD 1, HD 1, CD 1. One of the biggest issues Hawaii faces is the increasingly high cost of living for its residents – from homes, to food, to gas. Those particularly affected by the high cost of living are low income families. It is essential that we do all that we can to provide families with the help to reduce the always escalating cost of living. SB 555, SD 1, HD 1, CD 1 is key, as it increases the tax credit amounts for low income families who qualify. While this bill is not a single solution to reducing the cost of living in Hawaii, it is an excellent starting point and will provide much needed help to lower income families statewide. For these reasons, I am in strong support of SB 555, SD 1, HD 1, CD 1."

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

"Mr. Speaker, in support with a slight reservation. I'll state for the record on this Floor that my reservation is that it's only good for two years. 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. 555, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX CREDITS," passed Final Reading by a vote of 51 ayes, with Representative Say voting aye with reservations.

Conf. Com. Rep. No. 166 and H.B. No. 134, HD 1, SD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 134, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Evans.

Representative Cullen 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 Cullen's written remarks are as follows:

"Mr. Speaker, I have reservations on H.B. No. 134, HD 1, SD 2, CD 1.

"Mr. Speaker, I support the rail project because it is much needed infrastructure for the people living on the west side of Oahu. With our growing population and the planned development at Ho'opili of 11,750 homes over the next 30 years to help address the massive shortage of homes in the State, traffic congestion will continue to worsen if we allow this project to fail. While we are looking to ensure that the project is completed, we want to make sure that the City and County of Honolulu is accountable and transparent for the money being spent, ensuring a quality rail product.

"My reservations are on the fiscal impact to the neighbor islands. According to the B&F Director in the House Finance hearing, we could have a $340 to $400 million tax increase to the residents amongst the three neighbor island counties, whose total combined population is under 426,000.

"Mr. Speaker, I support the rail project and want to see it through to completion, but this increase would greatly impact the residents of the State of Hawaii, so that's why I stand in reservations."

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

"Mr. Speaker, I stand in strong support of this measure. Mr. Speaker, you know that I hammer you, figuratively speaking, for every fee or tax that comes down the pipe. But this measure leaves us really with no choice. This is something we must do, Republican and Democrat alike.

"Mr. Speaker, when you go into battle, the best laid plans of mice and men are, after the first shot is fired, are thrown away, because you never know what you're going to run up against. Whether it's a lawsuit filed by folks who cannot stand the fact that the vote didn't go their way, which delays your construction cost and forces you to pay penalty fees, or tax revenues that didn't come in as projected. Those things are not the fault of the overseers of said project.

"Now there's many naysayers out there, Mr. Speaker, but what do they say? Just stop. Well you can't just stop. If you stop, you have to tear it down, and somebody has to pay to tear it down, and then you have to pay the federal government back all that money that you got. So for me, this is a no brainer, Mr. Speaker.

"Aside from that, as I said before, all the working men and women in my community, Ewa Beach is ground zero. Every block is a pickup truck with a set of tools in it. And I don't want to be the person to tell them, sorry, we're going to stop this project. Golden Gate Bridge was over budget, the Hoover Dam was over budget. All great public works projects run into things that are unforeseen. We don't know if next week they run into an undiscovered huge patch of *iwi*, we just don't know, and that would increase the costs.

"But we're committed to this thing, we need to see it through, and I hope I'm around long enough to see when they come back to run the spur to the University of Hawaii, because that is what's going to make the difference. We're in this, we should be in it to win it. I support it with enthusiasm. And if I can support it, a guy who nails you for a dollar fee on a driver's license, I think all my colleagues should support. it So, *i mua* rail."

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

"In very strong support. I thought I would never accept the speech of my good friend across the aisle from Ewa, would you please adopt his words as my own. Thank you very much," and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In strong support. I ask that my colleague's words be entered into the Journal as my own as well. Thank you. I also ask that my earlier comments in support of an earlier iteration of this bill, when it was on Third Reading, be entered into the Journal today. Thank you.

"Mr. Speaker, rail is of vital importance to many of our districts and to hundreds of thousands of Hawaii residents. We must look forward into a future that includes comprehensive transportation solutions to our growing population. And our communities that are growing in Central and West Oahu, they're not only growing naturally, but with the design of state and local government. Without rail the current development patterns on Oahu are frankly insane. Rail brings this development into a more sensible development plan.

"Of paramount importance, Mr. Speaker, is for future accommodations of population growth. We need to severely redirect these patterns of residential and commercial growth along a central transit corridor. The only way we can keep country country is to make town more of a city. This requires concentration of urban growth along the rail route. The preservation of agricultural lands requires concentration of urban growth along the rail. The reduction of traffic all across the island. Remember now, when things are going bad for us in west and central, it affects you all over in Windward Oahu, because we'll take the Pali, H-3, *et cetera*. So reduction of traffic all across the island, this requires developmental growth along the rail. And naturally, this requires the first 20 mile stretch of mass transit system to be built.

"The reality is that the current rail system is the only feasible option at this point. If we change the technology, we lose the funding. If we change the number of stations, we lose the funding. If we change the length of the route, we lose the funding. If we stop now, we still have to pay billions back to close it out and tear it down, as my colleague had pointed out.

"So it's pretty clear to me that as things stand today, all of the arguments against rail, Mr. Speaker, fail. This does not mean that the project is not painful. Corrective major surgery always is. It always has complications, risks and problems, foreseeable or unforeseeable that may arise along the way.

"But having seriously weighed all of these issues, as I know many of colleagues have, as well as living the daily gridlock, I strongly urge my colleagues to empathize with those who live in West and Central Oahu. We drive by areas where thousands upon thousands of new residential units will soon and are currently being added. And these will add tens of thousands of new cars to this gridlock, Mr. Speaker.

"As I have said before, if development stopped today, we still need the rail. And for those communities that are not seeing development, ironically they often stand in the strongest opposition to this project, Mr. Speaker. And I think that's morally baffling to me. This is about equity, it's about supporting those areas that take the pain of development and giving them the appropriate infrastructure. We cannot stop population growth, and so we must build homes.

"If you like not having much development where you live, then in my opinion you must logically support development in places like where I live. And that means that you should also support the basic infrastructure for people in Western and Central Oahu. Remember, we only have one way in and out, and many of those communities where there's a lot of opposition to this, they have four ways in and out, and we have fives time the population.

"I think if you really don't like facing the growth where you live, then you must stand and support this project as I do. It doesn't mean anyone has to be happy about it. It merely means we look at things rationally, objectively, and with all the facts. Traffic situations have gone well beyond overwhelming to what hundreds of thousands of people in this state I'm sure now find to be completely unacceptable.

"Mr. Speaker, rail is important to the future of our state, but it's also important for lawmakers to ensure that the City and County proceeds with the project in a way that is responsible to the taxpayers and the people of Hawaii. But we too must be responsible in how we can help the City and County pay for it.

"Mr. Speaker, I do hold one concern, even though I stand in strong support of this, and I believe that the 10% skim by the State should be addressed and that we should only cover the cost of collecting the monies for the County and not a penny more. I know that in the future I'll continue to vigorously monitor this project, and I hope that we will do the right thing and reimburse the City and County for that 10% skim. And most importantly, I'll continue to ask tough questions to ensure the City and County's project is more fiscally responsible and they do the work to finish their project as efficiently as possible. Thank you."

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

"Mr. Speaker, in opposition. Mr. Speaker, many of us on this Floor grew up with the adage, if you're going to do something, you do it well. Even if you're going to be a ditch digger, you be the best ditch digger. I don't think any of us on this Floor can say we've really done this project well. We've conceived it, we designed it, we fund it, we've done a great job. No, we have not.

"What we've got here is a patch or a triage to stop the bleeding for another five years. My concern, Mr. Speaker, if all the things we want it to be, we've got to tighten this loosey-goosey project up. We've got to make sure that it operates and runs on time. That it's got budgets that are actually real and doesn't keep extending into billions of dollars, the way it is already $1 billion over project.

"If we're going to do it, let's do it well, let's do it better. Let's make sure that we've got all of our ducks in line. Now we've got to get this one out, we've got the neighbor islands all sucked into this tax increase. Every island now can put a tax onto their people because of what we're doing on Oahu.

"So it's affecting everybody, and I know there's been sort of an association that there's a geographical correlation between your distance from the train and your district, and you're for or against it. But regardless of where we are geographically, we should be for sound planning, for sound budgeting, and not this loosey-goosey every five years come back and ask for more money. If we were a bank and a business, we would say, hey, go away and do your homework. We have allowed this thing to go on. We're feeding it, and by feeding it we're encouraging it to do what it's been doing in the past.

"I commend the Finance Chair who had really a bill to put the feet to the fire. She's saying, put some skin in the game and make sure you do this thing right. So, Mr. Speaker, the people of Hawaii from the very beginning were divided by this, now we're pushing it out another five years. Let's make damn sure that we're going to do it properly this time. We'll give them the money, but let's make sure it's done properly. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I wasn't going to rise on this issue, but since the good speaker, the previous speaker brought in the neighbor islands, I have to. And geographic proximity, because I think I live further than he or anybody else on this island does from the rail project, but I stand in support.

"Mr. Speaker, the enabling legislation does make this a Maui issue. As my good friend here from Ewa Beach on the CPC Committee has said, has fought against every tax increase before and supports it, our Mayor, when he was Mayor last time when this came up, he was opposed to it. He was opposed to it and didn't opt Maui in. Now our Mayor of Maui, who's a lot like our good friend from Ewa Beach, has been vigorously lobbying us to pass this enabling legislation. Why? Because he recognizes that in today's current fiscal picture, this provides an opportunity for us to be able to get revenue from the visitors in our island. The GET is paid for a lot by our visitors.

"And to address critical transportation needs. Mr. Speaker, I get photos on my phone from constituents about once a month, minimum, of people standing in the rain and the mud, in Maalaea, waiting for a bus in near whiteout conditions. Hovering there saying, please help us get some bus stands. I go to the county and they say, we need revenue, we need funding to modernize our buses, to create bus stops, to allow transportation options for those in our communities who can't afford to drive. And in Maui, Mr. Speaker, distance is very prohibitive. Our Mayor recognizes this. I know the Council Chair disagrees with me on this and would like to see a greater share of the TAT, but until that day, this is an option for us to be able to secure the funding we need for our citizens, our transportation needs on the neighbor islands.

"So as one who lives very far and as one who can fly home faster to Lahaina than my good colleague from Kapolei can get home, I think that this measure is a good one both for Maui and also for the people of Oahu who are facing carmageddon on a daily basis very soon, Mr. Speaker, and I'm an outsider just adding my two cents. Thank you."

Representative San Buenaventura rose to speak in opposition to the measure, stating:

"I stand in opposition, because of the enabling statute in this bill that extends this off to the neighbor islands. I represent one of the poorest districts in the State of Hawaii. I could stomach a quarter percent increase, but a half percent, that's 12.5% increase, at a time when we're just recovering from a recession, a time when Puna is just recovering from dual disasters. For the poorest of the poor to be assaulted by a 12.5% general excise tax which covers everything, services, food, everything.

"A lot of my constituents are illiterate. The refundable general excise tax bill that we had just passed, most of my constituents, although we pay the tax, will not recover any portion of it because they won't fill out the tax returns. So we pay more than our share, and as such, I cannot stomach a half percent increase, and I stand in opposition."

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

"Thank you, Mr. Speaker. In opposition. I didn't want to speak, but everything inside of me is telling me to stand up, and so, just a few comments in regards to what's been said.

"There's a bill in regards to the Ewa Development Plan coming up on Wednesday in the City Council and there are many of my constituents concerned about it because the Ewa Development Plan talked about Ho'opili and the rail conjunctly. And I've sat down with HART and I've talked to them about it, about the fact that the rail station going through Ho'opili is one of the main reasons why it needs to push forward.

"Our concern, and I live in a community that I surveyed, both electronically, by phone and through mail about what they felt about this, and they were in opposition. The concern is that the development of those homes and linked into the rail will cause gridlock for all of us that have one way in and one way out. So I'm in a community that opposes it that has one way in and one way out. And asking for traffic solutions and infrastructure by which we can stop sitting through so many hours of traffic. Granted, the rail will provide will an option.

"You don't need my vote to get the rail, it will still go. But my vote of no is in a voice of concern for the fact that the infrastructure does not currently exist to have that Ho'opili structure in conjunction with the rail go at this time without severe improvements to the freeway. And this is what, constantly, my constituents are telling me. It has to stop. We leave home at four, five in the morning, we come home. But again the rail is going to come with the development together in a package. And I've asked them, if Ho'opili doesn't go, what's going to happen? They said, we'll still get a different developer in there and we'll develop the land. That's what they told me.

"So it doesn't matter whether it's them or somebody else, there's still going to be development there. And a lot of what had to do with the lawsuits in regards to the cost and everything else, some of it did have to do with Native Hawaiian issues and *iwi* that was found along the route of the rail. So let's just be sure that when we fight Mauna Kea, TMT, all those other things, that we be sure that it's happening in other places as well. It's not just happening over there. These are Native Hawaiian issues everywhere.

"When I went to go speak to the Carpenters Union, they asked me, what do the Hawaiians think? What do the Hawaiians think about what's happening? I'm not against rail, I'm against rail that is ineffective or rail that is going to be insolvent. What is going to happen in the sustainability of this for the generations to come? That's a huge question. What's going to happen to the money that we need for buses or for parks? I mean, our parks are horrible already, what's going to happen to that if we have to continue to sustain it from year after year.

"Those are the concerns that I'm bringing from my constituents to this Floor, and that is what the vote of no is for. A voice of concern for all kinds of different things that are going to be affected by one decision. But again, you don't need my vote to ahead and do this. It's going to happen regardless or not. But what I'm trying to say, is that we should be very aware there are many things interconnected into this decision, many different things. And Ho'opili and the rail and all of that is one of them.

"Again, all the people are asking for is a little bit of infrastructure to alleviate the everyday struggle that we go through just to get to work every day. And as far as the Hawaiians are concerned, by very aware of what's going on, of the different things, because it's not just one thing that got blown up in the media, there's other things that we should be concerned about as well. About making this land sacred and protecting the things and the agriculture by which that we have been given that we just keep developing and developing to no end. We should be very aware that we make the decisions prudently when we do things in regards to land and regards to taxes and regards to the future of our children. Thank you."

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

"In support. Mr. Speaker, a couple months ago I was out in Lanikai and I was paddling out to that island to go surf. It was super rough. Half way through I was like, man I'm tired. I look back, I could barely see the land. I look forward, I could barely see the land, I'm about halfway. But there's no way I'm going to paddle back, not when there's waves on that side. It's going to be the same distance either way. I'm going to be just as tired either way. I'm going to make it to the island.

"We put in billions of dollars in this project, and to go back it's going to cost billions more, or to finish it will cost billions more. I'm going to choose to finish it. The previous speaker asked, what's going to happen to all this money in the future. There are two options, we're either going to have the rail or we're not. I'll choose to have the rail.

"Regarding the refundable GET for the food excise tax, yes it will be difficult for some of our constituents to recognize the new law on the books. It's our job as Representatives to educate them. Put it in our newsletter, hit the media, let people know, hold town hall meetings. Hey, we have this regressive tax and this is a way that you can save some money from it.

"This is enabling legislation for the counties, this isn't saying you have to raise the taxes. By all means, I would love it if Maui County Council would say, maybe pump the brakes a little and let's not raise this regressive tax for everyone on our island. But they should have the option in fairness if we're going to give it to Oahu.

"There's an old adage that was mentioned by a previous speaker that if you're going to do something, then do it right. I was taught as well that if you're going to do something, finish it. Thank you."

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

"Thank you, Mr. Speaker. In support, Mr. Speaker. I do know that I've been voting with reservations up until this point, but we didn't know what the final intricate details were until this point. I do have a little bit of concerns because it only kicks this out for another five years, up to 2027, and I think we need a better robust discussion between the City and the State. Unfortunately, that robust discussion didn't happen from 2007 until now.

"I remember being in a meeting in our community on the Waianae Coast under the former Mayor Hannemann, with 300 men and women standing there supporting that City and County Mayor to take this project forward. And I still see those people every day, Mr. Speaker. They live in my community. They buy homes in my community. Many of them rent. Many of them live in homesteads. But they get up every morning at 4:00 o'clock in the morning to beat that traffic, to be on the job site, and do what they need to do to put their kids through school, to be able to put food on their table, and live.

"And I can't stand here and say no to this particular measure, Mr. Speaker. Because this isn't for me. This is for a project that is going into the future, for future generations. This is for those individuals who don't own a vehicle, many live in my community, take The Bus into Waikiki and work in our hotels, generationally. They can't afford a vehicle. They sit on those buses for two hours each way, Mr. Speaker.

"Today was a good day for me. One hour and 20 minutes, and I left at 7:15. You see, the last time we had a long Floor session everybody was like, where's Representative Jordan? I was 40 minutes late because I left at 7:15 that day and it took me 2 hours and 10 minutes. I stopped in traffic at Kapolei exit. I wasn't even 8 miles from my home, and I sat in traffic all the way into Honolulu.

"Yes, when a Representative from the west side of Kauai can get on a plane from their home and beat me to the Capitol, something is wrong with

that picture. And if we don't stand here and say, yes, to continue with this public transit project and encourage individuals to get on board and encourage our City and County to create the hubs and spokes programs, that's buses connecting to a rail, and if we don't encourage the further extension of this up to UH Manoa, we're doing everybody a disservice.

"Because everybody knows if we can just move the UH schedule, the traffic on the freeway would be a lot smoother. I've been hearing that for 12 years, and I don't think UH is ever going to move their schedule for us. So if we can get all those students and maybe some professors on that rail that we alleviate them driving to and from school, that will alleviate their parking costs. Why, heck, maybe even some of my kids will finish school. Because the one thing that has them dropping out from attending UH Manoa, they will start, and they fail to continue because of the transportation.

"So I look at this positive all the way around. And then I look at my construction workers, my laborers, my builders, because we have a new vision of how we're going to develop the island of Oahu. Yes, I live in a bedroom community and I wanted a bedroom community. We land bank our land for agricultural purposes, and we want to keep it that way.

"And yes, there's one way in and one way out. And if this Body ever agrees to raise it another half a percent, I may get another entrance into my community, because it will cost $1 billion to bring that to my community. But at least right now we can provide an opportunity. Yeah, they've got to go all the way to UH West Oahu."

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

Representative Jordan continued, stating:

"Thank you, Representative. But at some point in time, we might be able to see that at Kapolei Commons. Why, heck, maybe even out at Koolina so some of those visitors can get on our rail system.

"I will now become the advocate for the rail and I will get blasted at a board meeting tonight for supporting this, and I say bring it on. Because if we don't step forward, we're not going to be able to turn back. Because the option is, all my taxpaying citizens in the County of Honolulu that own property will pick up this burden if we do not say yes right now, and have this robust discussion in the next two years. Because this doesn't get us to Manoa. This half a percent only gets us what we need to do to finish what we're currently doing.

"So I stand proud to say yes, and I will educate the remainder of my community that come forward and say no. And I thank those individuals that work in those industries, because they're my nieces, nephews, they were my calabash uncles, and I need to support them. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I stand in support. Last year I was asked about the GET extension, and I stated that I didn't feel that continuing to tax the people of Hawaii was the right answer and that we needed to think of creative, out of the box solutions. That being said, since that point I've been presented with a lot of the different options that are currently available to us, and unfortunately this extension seems to be the best of the worst.

"I've been very intentional with discussing this issue with my constituents. I've had two town hall meetings with HART where they've graciously come out to the district to answer questions directly. I've had communication through mailers and surveys, and I'm basing my vote on what I truly believe is best for my community.

"I wish the project had begun in a more responsible manner, but we're too far in to stop now. While I'm voting in support, I wish all of the 0.5% went to the intent of the funding the rail instead of keeping the 10% with DOTAX. At the very least, that 10% should have been reduced. I appreciate that through conference committee we've limited the extension to five years instead of perpetuity. And while I hesitantly support this bill, the City and the rail project need to actively work together to be more efficient, effective, and find creative solutions to not just finish the project, but for the operation of the rail as well, so the State will not have to revisit this issue in the future. Thank you so much."

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

"Thank you, Mr. Speaker. In support. I just wanted to discuss a couple of points. First, an issue was made in this discussion today about the lack of planning. All the planning documents are online. There are thousands and thousands of pages of them. This is a project that has been planned. I had no idea that a project this big could be planned this carefully. A primary reason for that is all the federal money. The Federal Transit Administration is not going to give us money for a project that hasn't been planned out. So I think that's an error in terms of looking at how this has developed.

"The *iwi* question, the City did lose a lawsuit at the Supreme Court level, but they moved forward based on the findings of a lower court which was upholding a law on *iwi* that had been in effect for as long as I can remember, which was that you could segment projects, you didn't have to do all the surveys for *iwi* up front. In fact, after that Supreme Court decision came down, which actually delayed the project for quite some time, like 18 months, the next session, if I remember correctly, this Body, the Legislature, reversed the Supreme Court's decision and said, yes you can segment, because on a big project it's just really impractical not to.

"The other lawsuits that slowed the project, well the other lawsuits didn't slow down the project as much, but basically, every single claim they brought was rejected. There were some that the City had to go back and look at again, but considering the size and scope of this project, it's amazing that there weren't more problems with it. I think it's unrealistic to expect the largest public works project in the history of the State not to have a hiccup once in a while.

"With regard to the cost overruns, this project started 10 years ago. The first vote on this Floor was in 2005. The cost overruns, it looks like they're going to be about 20%, but considering that the project was originally supposed to be done I think next year, when you look at where the economy was when this project was supposed to be being built, we would have been right on budget. And I don't know if there's any way to predict with accuracy over that long a time period that something's going to go over.

"I think if you look at the H-3 or the H-1 or the H-2, especially the H-1 and the H-3, I believe those went over budget too, they weren't as big as a project because with the road you have to buy the car still, and that's one reason that the road projects are less expensive because the actual carriage device is something that we have to pick up privately and of course costs a lot more money. When people talk about how expensive the GET is, if you take every single car on the island and multiply it by what an average car costs to run, the dollar amounts are much, much higher for one year than this entire project is for its entire construction.

"The argument was made that we just need a little more infrastructure to get people in from the west side. That's just not true. Any project that has any hope of bringing in the numbers of people that need to be brought in from the west side is going to cost a lot of money. And when you go down the list of possibilities, making the H-1 bigger, adding another freeway that's not on the H-1 route, I don't know, the options run on quickly. Helicopters, boats, there are things that could be done that would take some of the pressure off, but rail is the only one that has anything near the capacity that's needed. That's why I support this project and that's why I look forward to three years from now riding the rail from my district in Chinatown out to the end and having something to eat and coming back and enjoying the beautiful view that that rail will provide. *Mahalo*."

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

"Thank you, Mr. Speaker. In support. I want to thank the Members of the House and Members of the Senate for going through this legislative

process and this very difficult issue. Just from the discussion we had in prior session and what has happened in conference committee and right now, you do know that this is not a light issue, it's a very difficult issue for a lot of folks and for me as well.

"It's a difficult one for me as well for two reasons. Because number one, in 2005 I was one of those who voted in opposition to this surcharge. And number two is because I don't like to make Kirk Caldwell happy. And he's sitting there smiling, and that makes me very unhappy. When I see him, he's like that cat, he just rubs me the wrong way sometimes.

"But in spite of that, I am in support. Because although I was in opposition in 2005, once the City and County of Honolulu and the State made that commitment to start the rail project, for us or the City and County to stop the project will have significant financial implications that neither the State nor the County can afford. So at this point in time, we are providing five years extension, 0.5 to 2027. So until 2027 we're providing a five year extension, and that's enough. In fact, that's more than enough to complete what they have started from the west side to Ala Moana.

"So we do have a message. I think the Legislature is giving that message, that we at least collectively regardless of whether the divisions and whether there might be people who want to provide perpetuity or 25 years or 12 years or nothing at all, at least there's some consensus among the majority of the Members in this Chamber and majority of the Members in the Senate, that the State is willing to provide a five year extension for HART and the City and County of Honolulu to complete the current project to Ala Moana.

"So I think it is fitting for the Legislature at this time to provide HART and the Mayor a message. Complete the project, do it right, don't come back with any over budget, just complete this project. Thank you."

Representative Souki rose to respond, stating:

"Strong support, and first of all I really want to thank the Finance Committee and the Chair who looked into this very strongly and had some reservations, and in the end, as we just heard from the Finance Chairman, they're looking into the longer term. I always believe that we as legislators here need to do statesman like decisions where we're not going to benefit from it now, but our children will. And you have that the majority of you that will vote, you're looking not for the present but for the future. For that, I commend you.

"I also want to say, there's some disappointment because I personally, even though I am from the neighbor islands, don't want to see the rail end at the shopping mall. I visualize it going to the University. I visualize it going someday to Hawaii Kai, in spite of the Representative from Hawaii Kai who won't vote for this measure. I visualize someday that it'll be going into Middle Street and some of the other areas. And this will be going for the next 50 years or 100 years.

"In Boston, they're still working on the rail and it's over 100 years old, and they continue to make trunks. Just visualize the sustainability of the jobs that you're going to be having all these years. So it's not only the rail, it's the new cities that will be developed along the stations. Buildings will be coming up, shopping centers will be coming up. It provides a whole new dimension for Honolulu and possibly for the neighbor islands that will opt for transportation money through their councils. But again for this, I thank you very much, and I wish to thank the major committees that have approved this bill. Thank you very much."

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

"Thank you, Mr. Speaker. In strong support. I'd like to ask that the words of the Speaker of the House, both times, be inserted into the Journal as if they were my own, the Representative from Waianae and the Representative from Kihei, into the Journal as if they were my own.

"I just want to address one thing. I know there were concerns from my colleagues from the neighbor islands and I was on the board of HSAC, at the time in 2005 when we lobbied this Body and the Senate on this bill. And none of the Representatives or the Senators that voted for the bill from the neighbor islands, none of them lost the next election. And I don't think this is an issue that's going to be a loss to this Body, because we've started it. And the train is coming, it already left the station.

"I've been in Kapolei and stayed in Kapolei and had to drive in in the morning, it's ridiculous. I don't know how the Representatives from that side of the island can deal with this traffic. It would absolutely drive me crazy, not that everything here doesn't drive us crazy. But it is ridiculous. The Representative from Waianae said two hours. Can you imagine that? I know many times we leave Kauai as a delegation and we get here before the Representative from the west side of this island. So for those reasons, Mr. Speaker, I stand in strong support and I thank all of the Committee Chairs that had worked on this in the House and the Senate to make this opportunity possible. Thank you."

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

"Support, written comments. I'd also like to adopt the words of the Speaker as well as the Finance Chair, except for her two reasons in regards to the Mayor, as well as her 2005 vote. Thank you very much," and the Chair "so ordered." (By reference only.)

Representative Aquino's written remarks are as follows:

"*Mahalo*, Mr. Speaker. I rise in support of HB 134, Conference Draft 1.

"The bill lying before us has gone through an evolution this legislative session. The reason why I can vote in support of this measure, wholeheartedly, is because of the various changes and the final product we are voting on today.

"First, the original language of HB 134 went from a surcharge to be collected into perpetuity to a modest extension of five years. The sunset date is now 2027 from 2022. This extension will allow the current Honolulu rail project, in accordance with the full funding federal agreement, to be completed, and addresses the current shortfall of nearly $1 billion.

"Secondly, this measure makes specific changes to current law which includes the collected surcharge to be utilized only for capital or construction costs as opposed to capital and operational costs. This change will strongly encourage the City to plan and make tough decisions to implement and operate the project in a more effective way.

"While I support the project and this measure to ensure completion, I do have concerns on how it is currently affecting my district. I will say that the community of Waipahu is currently undergoing the headaches of the project's construction and are being patiently tolerant. For the next year or so, the column and guideway work along Farrington Highway will continue to produce traffic congestion that affects residents, business owners, visitors—everyone. Another reservation is that neither the City nor HART know the current price tag for this project, which can be a big concern. Other concerns I have pertain to the lack of planning to address future shortfalls and a comprehensive examination of cost-cutting measures to ensure financial stability and efficiency.

"While I continue to have these concerns moving forward, I do however acknowledge that Honolulu's rail project has come too far for it to stop now. It needs to get completed to provide another transportation alternative for everyone and improve the quality of life for our current and future generations—especially residents of Leeward and Central Oahu. Thank you, Mr. Speaker."

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

Representative Ichiyama's written remarks are as follows:

"Mr. Speaker, thank you for the opportunity to provide comments in support of HB 134. This measure will extend the 0.5% GET surcharge for an additional five years, from 2022 to 2027.

"I am very concerned about the reports of mismanagement and waste in the construction of the rail project and lack of oversight from HART. I supported a fiscal and management audit of HART to shed light on these issues and will continue to support better accountability and transparency.

"The reason I support this bill is because we cannot go back. We have started the rail project and it must be finished. If we do not meet our commitments under the federal Full Funding Grant Agreement, we will be required to return over $1 billion in federal funds and spend hundreds of millions to mitigate and/or demolish the parts of the rail already constructed.

"I also understand from our counterparts in the City Council and the Mayor that if we do not pass an extension of the GET surcharge, the funds to complete rail will be assessed through a dramatic increase in real property taxes. This is not a desirable outcome. Roughly one-third of the GET comes from non-residents, through our visitor industry. A real property tax increase would affect local homeowners and businesses, which will bear the brunt of this increase. I would prefer that the rail project be paid for by the federal government and tourists, rather than entirely by our local residents.

"Finally, I believe that we need transportation alternatives on Oahu. I consider myself lucky to live in Salt Lake, I get off the freeway before the traffic starts, on Red Hill. Others are not so fortunate. Some of my friends and family sit in traffic for over two hours, morning and afternoon, sometimes longer. Their quality of life is diminished by the lack of transportation alternatives and it is not right. Rail is not the end-all, be-all solution; rather, it is the beginning of a transformation of how we live and work. We need to finish this project.

"For the foregoing reasons, I support this measure. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, still in opposition. Mr. Speaker, I think there needs to be a footnote to the Speaker's speech, because he alluded to the future and implied, even though he said it in the gentle way, that if you're against the bill, you're against the future, against the kids and the *keiki* and all the other stuff.

"I think there's another side to that story, Mr. Speaker. Those of us who are concerned about the affordability of this, the sustainability of it, we don't want to bankrupt our grandchildren or our children. We want to make sure this is sustainable. We want to make sure it's not a Greek retirement system that makes basically their viability in the European Union moot. We don't want to make it a HHSC, a government run hospital system that bleeds $90 million a year out of this Body. We want to make sure that their future is secure on an economic basis, Mr. Speaker.

"That's why, when we say that we're voting against this, we're not voting against the future, we're doing a protection and undergirding, if you will, for the future fiscal viability of which is one of our major responsibilities other than safety for the people of Hawaii, is the fiscal viability so they can feed themselves, they can house themselves, and they can have jobs of which we are not doing the best job as it is.

"So for those reasons, Mr. Speaker, those who vote not for this bill, when the roll call is going to be called in a couple of minutes, please don't think that they're against the future, but can be for it in the same way that you are. Thank you."

Representative LoPresti rose to respond, stating:

"Still in support. I feel obligated to stand up and respond to the previous speaker. I have two children, Mr. Speaker, I have a five year old and a one year old. I could do the fiscally responsible thing and leave them with no debt and nothing, or I can do what is necessary to build a better future for them and give them the responsibility to help maintain the systems that I built for them. I choose the latter. Thank you."

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill No. 134, HD 1, SD 2, CD 1. The purpose of this bill is to authorize the counties to extend the county surcharge on the General Excise Tax, at the rate of 0.5%, for an additional five years.

"Specifically, this bill provides the City and County and Honolulu and the Honolulu Authority for Rapid Transportation with enough leverage to reassure the Federal Transit Administration that there will be sufficient funds to build the rail transit project, and fulfill the City's obligations under the Full Funding Grant Agreement (FFGA).

"Mr. Speaker, we must understand that the cost overruns associated with the rail transit project can be attributed to a myriad of reasons. When bids were first issued, this state, and the rest of the nation, were at the tail end of the 'Great Recession'. The construction industry is similar to any other industry and subject to the basic economic principle of supply and demand. During the recession, bids came in at a lower cost because the construction industry was stagnant, thus bids were coming in lower than today.

"In addition, as we are all familiar, a number of lawsuits delayed the rail transit project. Our economy steadily improved, as did the construction industry, while the lawsuits were being litigated. The construction industry is fluid and is dispositive on market conditions. It is therefore not surprising that the bids are now coming in much higher than previously anticipated.

"Mr. Speaker, this bill covers the cost overruns associated with the rail transit project, ensures that the City will be in compliance with the FFGA, and guarantees that construction will continue on this alternate mode of transportation. For these reasons, Mr. Speaker, I stand in support for House Bill No. 134."

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, I'm in opposition because on important issues to my district, many of you probably follow the same reasoning, you think of your personal feelings, then you think of how the district wants you to vote. And from surveys that I have taken and spoken to my constituents, they want me to vote no on this issue, and I estimate about a third of those in the Chamber will also vote no.

"I did a survey and asked my neighbors that if rail were built, would they want it to come into Waikiki? And surprisingly, 47% of them did say that they were against rail, but if it were built that it should come into Waikiki in some way.

"And what's interesting too about this issue, Mr. Speaker, is some members of the Minority Caucus in this Chamber constantly criticize Democrats for tax increases until, as we found today, it may suit their needs. And that always became ironic to me whenever we did work on important issues like this.

"Riding the rail will not be easy for a lot of people. If you're in Kapolei you may be taking a bus to the rail station, taking the rail to Ala Moana, then taking the bus into Waikiki. We also need to look into other things as we still can, other ways to reduce traffic, whether it is to stagger the hours of the University, or remove drivers who are uninsured, or in order to keep legislators from being stuck in traffic, talk to Speaker's Office and stagger our work hours.

"Mr. Speaker, for these reasons I would just encourage legislators to take responsibility, and if they choose to get more for their money by living away from town, they get the traffic. And if all goes well, as I anticipate, rail will give people the option to not be caught in traffic, but studies show there still will be a large amount of traffic on our roads in the future. Thank you."

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

"In support. I too took a survey, I mentioned this in earlier readings of this bill. The majority of the members of my district and most likely the majority of the members of many of the districts on the Windward side, the majority of the constituents responded against extending the tax for rail. I'm going to vote yes anyway, and I'm going to explain it to them in the same way that I hopefully can explain it to everyone in this Chamber.

"There are three main issues that I heard from my constituents in my campaign, I'm a freshman so that wasn't that long ago, and I've continued to hear. The first thing is, we don't want the rail. The second thing is, we don't want development in Kaneohe. And the third thing is, the cost of living in Hawaii is way too high. I could use any of those points to justify going either way on this issue. The way I rationalize it, the way I rationalize my up vote is, if we are going to look to the future and if I am trying to do the right thing, if I am going to take a stand on issues in this Chamber without kicking the can down the road in order the save my own skin and get reelected, then I have to look at this the way that I feel is right.

"So in order to address the cost of living, which was one of the issues they brought up, I think there's agreement across the board that the main issue regarding the cost of living in Hawaii is the cost of housing. And if you talk to the folks who are working in housing, some of the folks like Reverend Bob Nakata who lives in my district, who is one of the adamant anti-development activists of the '70s, and part of the reason why we're in this discussion, this is not a new discussion, development on Oahu. This discussion goes back to the '70s when people from my community, people from my family, and people like Reverend Nakata pushed development from the Windward side where it was planned out to the Ewa plain. So the reason I bring that up is, we don't want development on my side of the island so it got pushed to the west side, and as a result they have these infrastructure issues.

"Reverend Nakata is now leading the charge on housing issues. We have a 25,000 unit housing shortage in Hawaii. The way I look at it, those are 25,000 families. We graduate 10,000 high school students a year, if they all marry each other, it doesn't matter what gender they are, that's 5,000 units at least that we'll be adding to the inventory. In order to address the cost of living issue in Hawaii, we have to address the Housing issue in Hawaii.

"Previous speakers spoke about Hawaiian issues. For me, the number one Hawaiian issue that I'm concerned about is diaspora. The fact that we are losing Hawaiians and we are losing local people, young people, people like me and my family, every year because of the cost of living. And so even though I don't want to build houses in Kaneohe or on the rest of the Windward side, and I don't like the cost of living in Kaneohe and on the Windward side, the only way, the only logical way and the only way that we've been considering this issue for the last 30 to 40 years, is directing that development and directing that growth to the west side.

"My heart goes out to the folks that live on the west side and the traffic they have to deal with, but the bottom line for my community is where are we going to house people and how's that going to affect the cost of living in our communities, and the fact that people who have paid their taxes, live their entire lives in Hawaii, want to continue to see their children and their grandchildren live here on this island, in our communities. And so for those reasons, I don't see a better solution than pursuing this type of infrastructure to allow growth to continue on that side to address the development issue on this island. And as this island goes the rest of the State goes. For those reasons, I'm in support of this project and I'm in support of this bill. Thank you."

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

"Thank you, Mr. Speaker. I'd like to adopt the words from the Representative from Kahaluu. Being part of the Windward side delegation, as it was coined, we have similar concerns. And for those same reasons, I do stand in support of this project, and do hope that as we move forward, that we don't have to look at another five year extension or some kind of indefinite funding source. I hope and pray that that can come to this project, and that we can improve the quality of life here in our state for everyone at every socioeconomic level. Thank you," and the Chair "so ordered." (By reference only.)

Representative Tupola rose to respond, stating:

"Thank you, Mr. Speaker. Second time. I just wanted to thank my colleague from Waikiki for the points that he brought up because there's been many points that haven't been talked about here, such as those who won't benefit from the rail but still need traffic solutions. And so while he's here, I just wanted to say that we are begging the City, begging the Mayor, for some infrastructure while they continue to develop in the Ewa Plains. As my colleague from Kaneohe stated, they're going to continue to develop in the Ewa Plains whether we want to or not.

"And whether we vote no or yes, it will still go, the rail will still go. However, we are asking, humbly, please provide us with the infrastructure that we need for our community, whether that's roads, adequate schools, adequate police facilities, adequate hospitals. All of this is written in the Ewa Development Plan as things that need to happen so that all of this can roll forward.

"My letter to the City Council was that step for step, we need to be together in order for this to succeed. We need to be on the State side appropriating these funds so that we can get those infrastructures in place so that the City can do what they need to do, but the timing is a little off. I suggested to them that we be step for step going forward so that it can succeed, and if not we need to step back until those things start to roll forward so that all of that can be in place to support people who may not benefit from the rail but still need traffic solutions. Because it was told to us from HART and from the Mayor that this will not alleviate traffic, this is just an option.

"Therefore, we should look for a portfolio of solutions by which we can move forward into the future. A portfolio of short, midterm, long, inexpensive, midterm, very expensive solutions, one person, two people, three commuter solutions, so that the people can have a myriad of solutions. I think that's what I appreciated from my colleague from Waikiki as presenting these forward so that we can have this dialogue of how it is going to go moving forward so that we can succeed. Thank you."

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 HB 134, HD 1, SD 1, CD 1. As the minority leader of a caucus that is voting a majority in favor of this measure, I've become the focus of a lot of anti-rail Republican sentiment. I am getting a lot of phone calls asking me to kill the rail. So I wanted to make a couple of things clear.

"First of all, these phone calls are not coming from my district, which is Mililani and Mililani Mauka. I recently sent out a district survey to my constituents, and 71% of responders were in favor of the extension. The residents in my community spend hours on the roadways daily to get to town and back, so I recognize the struggle that the families in my district are having.

"Second, we are not voting to kill the rail or to pass the rail. That is already done. The City and County has the power to build the rail and they have the power to fund the rail. They have the ability to raise property taxes. They can raise revenues from other things. All this is doing is giving them another option. It might spread out the burden more.

"This bill says the county 'may' adopt a surcharge. They have to look at their own finances and decide what is the best, most fiscally responsible way to build the rail and bring traffic relief, which we so desperately need in Central and Leeward Oahu. All we are deciding today is whether or not we want to give them the option of extending the GET surcharge. For these reasons, I rise in support of HB 134, HD 1, SD 1, CD 1. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. In support. Mr. Speaker, in 2005 I voted for this. Along the process I voted against this. There are reasons why I voted against this. It's mostly on how we pay for rail was my concern. The needs are great for the State, and going forward I think we have to also consider that.

"Now, at the end of the day, the conference committee in the House and Senate chose this method to do rail. And I've always supported rail, I think rail needs to be done. I think it needed to be paid for in a different manner. I think it should match, when we put infrastructure in, it adds value. A good example of that is a home of equal size in Manoa and a home in the Ewa Plains. The price is much greater in Manoa, and it's because of city-like services. And the more infrastructure you put in, the more valuable your property becomes. Tax policy should match that, and that's why I've always said in the past that it should have some component of property tax, because as we add more infrastructure in, it adds value."

Representative Rhoads rose to respond, stating:

"Still in support. There still seems to be this notion out there that somehow rail won't make traffic better. Of course it'll make traffic better. The problem is, traffic is a moving target. If the population of the State continues to grow and people keep buying more cars, there's going to be more cars in the road. But if you just kept the population of the State, of the island, exactly the same and you installed rail, of course it's going to help. There's going to be fewer cars on the road. Just as it will be even if the population grows, there will still be fewer cars on the road because of rail. Traffic may still be horrible, but it's not because rail didn't help. It would be even more horrible if it weren't for rail. So we have to be able to look, it is a moving target, and until someone figures out a way to hold the population steady it will continue to be a moving target, but rail will help the traffic situation."

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

"Brief second time, Mr. Speaker. Still in support. I appreciate the comments made from the other Representative from Waianae, because that's exactly why I support this. It's because this is not just a rail fund only mechanism, it can be used for portfolio of infrastructure for transportation. As has been brought up many times, this allows the counties to accelerate their infrastructure that's needed so that the development doesn't pop up before the infrastructure, which is the source root, especially in Lahaina, of much of the angst when it comes to building affordable housing, which the previous speaker spoke about.

"And just a note of clarification, I think the property values in Manoa are quite high because the good Representative lives there. Thank you very much."

Representative Keohokalole rose to respond, stating:

"I'd like to ask permission to accept the words of the Judiciary Chair, both times, into the record as if they were my own. He's really smart. Thanks," and the Chair "so ordered." (By reference only.)

Representative Belatti rose in support of the measure and asked that the remarks of Representative Keohokalole 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 H.B. No. 134, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 39 ayes to 12 noes, with Representative Cullen voting aye with reservations, and with Representatives Brower, Johanson, Kobayashi, Kong, Lee, Lowen, Nishimoto, Ohno, San Buenaventura, Thielen, Tupola and Ward voting no.

Conf. Com. Rep. No. 167 and S.B. No. 284, SD 2, HD 2, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 284, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In support. It seems like it's déjà vu, it was the wee hours of the last few days of Conference last year when we dealt with this same issue, and again there was a scramble to try to figure out what to do with this Turtle Bay bill at the last few hours, and really great work by the Water & Land Chair to tackle this tough issue and bring this bill to where it is today. This bill that just started out with transferring the responsibility from HTA to DLNR and just an extension has now turned into a financing method which is solid, which has the cooperation of people like Doug Cole, who's up in the gallery, and Lea Hong, for Trust for Public Lands.

"It was actually the Water & Land Chair and his staff that pulled everyone together in the last several days to tackle this difficult issue, and if you just knew the behind the scenes of some of these things that happened, I'm just very amazed that you were able to pull this off and we have a solid bill today. So, thank you very much."

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

"Thank you, Mr. Speaker. In support, strong support. One year ago we were here in this Legislative Body and a bill came to us in the final hours, and there was some discussion about the value and how we weighed that value at the last minute deal, if it was in the best interest of the State of Hawaii. Mr. Speaker, the bill that is before you, SB 284, is a culmination of coordination between our Executive Branch, our Finance and WAM Chairs, as well as with the City and County of Honolulu, and the private sector.

"Mr. Speaker, the bill before you today was actually a culmination of some hard work in the final hours to make sure that this bill met legal muster as well as it addressed the financial and fiscal issues that were brought up between Act 81 that was passed last year. So, Mr. Speaker, on behalf of the Water & Land Committee, we present this bill forward. We also would like to express our appreciation for the Finance Chair for allowing us the opportunity to bring the various people together to address this issue.

"Mr. Speaker, the bill before you actually includes the City and County of Honolulu giving money to the State. Usually Mayor Caldwell is here today, usually asking for money. He was graciously willing to offer $2.5 million to help protect this valuable easement located on the North Shore.

"Mr. Speaker, after looking at 7 versions of this bill in the final hours and making sure that this bill not only preserved the integrity and the goals of this Legislature, but also upheld the fiscal responsibilities that we take upon entering this Legislative Body. Mr. Speaker, before you, you have a measure here that saves us $5 million from last year. Actually, we purchase and increase our land holdings by 55 acres into fee. If you've ever been there and you've seen Kawela Bay, one of the most pristine areas on that side of the island.

"Mr. Speaker, it also increases our public access and makes sure that in perpetuity our constituents, our children, and their children have free access to this area. Not only where they can potentially play golf, if you're a Kahuku High School football student, but you can also enjoy the seals, the turtles, as well as the beautiful ocean and sunsets that are located on that side of the island.

"Mr. Speaker, this is a true example of the various entities coming together with the common goal to look for the future. And so it is with great pleasure that we have this bill before you. Thank you."

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

"Mr. Speaker, I'd like to adopt the words of the Water & Land Chair. In full support. It is no small thing which has been accomplished, Thanks to the hard work of the Water & Land Chair, also recognizing the Finance Chair and also our Tourism Chair as well for their work, and it not only stopped in this Chamber, many parties had come together including those here in the gallery today and those watching online as well.

"I can't say enough about how this greatly impacts my district. And many of you have received emails and phone calls and letters from those of my district who greatly want this to happen and who will soon realize this. And so it's because of the hard work that's been done, and because of much of the earlier today was mentioned about the power of community and also of compromise.

"I think in many ways people have put skin into the game. They have been able to reasonably negotiate one with another, and so I'm grateful to all of those who have participated in this process. I for one have seen what has gone on, and I can tell you that it has been honest work that has been going on. That there hasn't been shifty types of deals going on, it's all in the public interest and what's been accomplished here in SB 284. So I invite my colleagues to support this measure and to continue helping to preserve open space and leave a great legacy. Thank you."

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

"Thank you, Mr. Speaker. In strong support. I would like to adopt the words of the previous speaker. In his reference to the Tourism Committee, I would like to thank the members of the Tourism Committee for encouraging the Chair to defer the bill at one time. It created a real come to Jesus moment for both the supporters and the community and the legislators. It also showcased that this is how the political process works, we have agreements and disagreements. The first public hearing that the bill did have was in the Tourism Committee this year, although theoretically this bill did pass last year.

"So I would just like to thank the Chair of the Water & Land Committee and Finance for their hard work, and also their ability to keep members in the Tourism Committee in the loop on the final progress of the bill. Thank you."

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

"Mr. Speaker, I rise in support but with some reservations. When this was debated early on, I said that the owner of the property outsmarted us because we already got conservation easement, and that runs with the land. Then they tried giving us fee simple to the land, but the catch to that is they will have at least 65 years lease in their favor. The way I look at it is, if we own the land we will be deep pockets in terms of anybody filing a suit in case somebody got injured.

"Now they're sweetening the pot again, and the more they sweeten the pot the more I can possibly think of why are they doing this? We are deep pockets. Now, if there are conditions for this owner to at least indemnify us in case they file a suit against the State and we are now going to pay damages, then I will fully agree that their intent is really to give us this fee simple interest on the property. They will no longer be maintaining it? We own it. That's one of the things that I want to know, will they still be maintaining the property to make sure it's safe, or is it the State's responsibility now to do it since we are now the fee simple interest in the land, in spite of the fact that they have in their favor 65 years lease on the property.

"So to those kind of questions I ask, I just wanted to make sure that the State is protected. Will it now be the responsibility of the State to maintain? We are now going to be deep pockets in case damages occur? Those are the questions I want answered. Thank you, Mr. Speaker."

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

"Mr. Speaker, in support. Mr. Speaker, I had the honor of being a member of the Tourism Committee, and I commend the Chair for his strategic voting against it before we voted for it. It was a strategic move, there was nothing in the initial bill that said public access, there was nothing in regards to security or maintenance. And in fact because of that very heated discussion in the Tourism Committee, Turtle Bay has committed for all of the security, all the liability, and they have committed to all the maintenance, the upkeep, the aesthetics of it.

"But what I want to underline, Mr. Speaker, is that not only is this a preservation by the easement, but the fee simple. And the beauty of Kawela Bay, if you haven't been there, they've got some kind of remnants from the Japanese that was going to build hotel, there's a lot of the pilings still on the ground. But the view, the beauty, is something that I think our children's children are going to enjoy for a long, long time ahead. So this is really to me the long term future and the beauty of the North Shore, both for all of the things that it's known for and all of the things that this bill will be known for. This is a historic day and a historic bill.

"I guess one last thing, Mr. Speaker. There's probably a lesson to be learned here. We rushed this thing last year, we kind of scrambled and got it all together at the last minute. Now it's been marinating and it's even better. Could we learn something about marijuana dispensaries because of this? That's all I'm going to say. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Well, I need to say it, with reservations, Mr. Speaker. I was hoping that I could get to that big old yes, although a 'reservation' does mean 'yes' in this place.

"Last year we all heard this bill and I was a strong reservations on this because that was a rusty scalpel version last year. And I reminded all my enviro friends because, see, I'm a tree hugger. Please don't come after me for voting and supporting this measure last year. Well, they can't do that this year.

"I'm really glad that now we have some fee simple in this. See, a year's done us great. We went from $40 million down to $35 million. Now we got fee simple when we had no fee simple last year. We still have an easement right. We might get a lease back on this. My biggest problem is the debt service. How are we going to cover that debt service and the fund that we're using for it. Unfortunately, I can't palate that, and that's why they have my reservations on this.

"But this brings me back to why we're in this position right now. And I hope the Mayor's listening to me at this point in time, Mr. Speaker, because I'm speaking to him directly. You see, there was zoning placed on these lands back in the '80s. And they're sitting on those lands still today, helping us get to the situation we're in now. You see, only if we had this robust discussion between the State and the City to start having talks about, use it or lose it. If you don't develop in 10, 5, 15 years, then maybe they should come back in and revisit those zoning options.

"Just like I stated last year, I will be coming back to this Body at some point in time and asking for the purchase of Ohikilolo. It's a beautiful valley just near Makua, and they're coming and doing the same thing, gentleman farms. We are losing great places where the County has placed zoning on it, and the landowner sits there and land bags it, increasing the value with it, bringing us to these point in times, and dangling it in front of us. Saying, we're going to develop that bay and we're going to get multi-million dollars for it. Please don't do that, that's a beautiful area for our community to visit. We shouldn't be in these discussions.

"See, I sit in a valley in Makaha. I can build 5,000 homes tomorrow from zoning from 1980. I have a resort area in the middle of a valley in the country, but yet the Council doesn't listen to us. So I encourage every one of my other legislators here, find those parcels in your community and come back and ask for the same thing.

"Now I support this, and I truly hope we can preserve this land, but we shouldn't be held hostage by developers or people who purchase lands and bankrupt it, such as they did with this property in bankruptcy, and coming in and dangling it in front of that community and the people who truly enjoy our beautiful environment. I will remain with reservations on this

because I truly support protecting our natural areas. Thank you, Mr. Speaker."

Representative Yamane rose to respond, stating:

"Still in strong support, second time. I wanted to address some of the concerns that were brought up earlier by a different Representative. I think for the record it should be noted several questions that were brought up, Mr. Speaker, that I want to highlight.

"This urban designated land has approval to be developed. With this new deal, they have restricted the amount of parcels that will be made into hotel rooms as well as into residential homes, Mr. Speaker. With this new deal before you, we'll also produce 700 construction jobs, over 700 permanent jobs, 750 jobs in the community, as well as bring in $17 million of estimated revenue to the City as well as the State, Mr. Speaker.

"One of the other things that came up, the question was the means of financing. Mr. Speaker, just to highlight the fact that $1.5 million is going to be coming out of the TAT, our tourists will be paying part of that, as well as $1.5 million will be coming out of the land conservation fund.

"Mr. Speaker, again, everybody put skin in the game to make this happen. This wasn't just an issue of just preservation for the sake of preserving. This was an entity in which this was at the request of the community, and involved state, city, private, landowners, as well as nonprofits, as well as the army was consulted, to come to this deal today before you.

"Mr. Speaker, I also would like to highlight that Ms. Bass from my office and I spent numerous hours meeting with the Attorney General to question and re-question the issue of the exposure of this state to the liability regarding the 55 acres in Kawela as well as the easement, since we are pushing that easement back to 150 feet, Mr. Speaker. And we have been assured that because of the easement will still maintain in the control of the landowner, as well as that 55 acres in fee will then be leased from DLNR back to the landowner, that they will encumber all the liability associated with that. Thank you, Mr. Speaker."

Representative Pouha rose to respond, stating:

"Mr. Speaker, I won't take long but just to reecho what was said there. Many people have come together for this and in fact I would also like to leave an invitation to Members, if you'd like to come and tour the spot and feel it for yourself, let me know, just as an invitation. Thank you."

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

"Thank you, Mr. Speaker. First, a potential conflict. I've been barreled at Turtle Bay before, and should this act pass I will do so again," and the Chair ruled, "no conflict."

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

"Very good, Mr. Speaker. Rising in support. You know what, you're right, I feel compelled to also stand up because it was with this very Body's support that we passed a mechanism to do the very same thing on Maui with Lipoa Point. Of course at that time we were trying to rescue the corpus for the retirees whose pensions were at stake, but the mechanisms that seem to be in play here were also in play then.

"I want to thank the Water & Land Chair for continuing to grind away to get the best value possible for the people of Hawaii, Mr. Speaker. Easements weren't good enough for him, Mr. Speaker. What he wanted was fee. He wanted more for the people of Hawaii, and he worked hard, diligently, to ensure that whatever discussions happened in the Tourism Committee would come forward in the bill today.

"And you're right, everybody in this Chamber has places like this that need protection. But we live in a capitalistic free property society. We have more billionaires in the world today than we've ever had. We have a constitution that allows them to come in and invest. You're right, this is the mechanism to save these precious lands from the inevitable. Thank you, Mr. Speaker."

Representative Ward rose to respond, stating:

"Mr. Speaker, as we have thanked many for their role in this, and I'm sure everyone knows who's been involved, except for one person who's never been mentioned from the Floor, and I wanted to just sort of as a historic footnote note that, and that is of January 2008, Governor Lingle proposed that we purchased these lands. She even went out with a solicitation for private donations and trying to rally money. Now here, what, seven years later it's finally coming to pass. So I think from that historical effort it's been a long effort in the making, but it has been a successful one. Thank you."

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

"Really quickly, with reservations, Mr. Speaker. I didn't expect to follow that Floor speech, but I do want to again thank the Tourism Chair, the Water & Land Chair, the Finance Chair, and everyone who worked on this bill. But, last year I was one of two people who voted against this bill. When it came into the Tourism Committee this year, there were no answers as to what this Body needed to know. HTA, doing an appraisal, that was all changed at the Water & Land Committee. So, it is a better bill, but I think it still has some flaws and hopefully we can get it done right so the land can be purchased and set in perpetuity for open space. 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. 284, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Cachola, Jordan and Tokioka voting aye with reservations, and with Representatives Har and Kong voting no.

Conf. Com. Rep. No. 168 and S.B. No. 1078, SD 1, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1078, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

At 3:46 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1084, SD 1, HD 1, CD 1
S.B. No. 555, SD 1, HD 1, CD 1
H.B. No. 134, HD 1, SD 2, CD 1
S.B. No. 284, SD 2, HD 2, CD 1
S.B. No. 1078, SD 1, HD 1, CD 1

LATE INTRODUCTIONS

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

Representative Luke introduced Finance Committee staff members: Matt Tsujmura, budget section; Stacey Tagala, Research Supervisor; and Alberto Vargas, Budget Chief.

REPORTS OF CONFERENCE COMMITTEES

At this time, the Chair stated:

"Members, as you are aware, the Senate President and I, and by 'I', I mean Speaker Joe Souki, agreed on the 2015 Committees on Conference procedures that provided that all conference negotiations were to conclude by 6:00 p.m. on Friday, May 1st, 2015. Unfortunately, House Bill 321 received approval to pass in amended form but was not voted upon in

Conference Committee by the 6:00 p.m. deadline. The President and I felt that since the conferees were so close to an agreement, allowing this bill to die based an internal procedural deadline would not be in the best interest of the people of Hawaii. Therefore, permission was given to reenter conference negotiations at 12:00 noon yesterday on this specific measure.

"Conference Committee Report Number 170 and the accompanying draft, noted for 48 hour notice as a product of the authorized negotiations."

Representatives Belatti, Rhoads and Luke, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 321, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 170) recommending that H.B. No. 321, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 170 and H.B. No. 321, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA," was deferred for a period of 48 hours.

FINAL READING

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

H.B. No. 139, HD 1, (SD 2)
H.B. No. 140, HD 1, (SD 1)
H.B. No. 821, HD 1, (SD 1)

The Chair addressed the Clerk who announced that the record of votes for the appropriate measure had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measure to the Floor for final disposition.

H.B. No. 139, HD 1, SD 2:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 139, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST ANAERGIA INC.," passed Final Reading by a vote of 51 ayes.

H.B. No. 140, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, H.B. No. 140, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR CHAMINADE UNIVERSITY OF HONOLULU," passed Final Reading by a vote of 51 ayes.

H.B. No. 821, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 821, HD 1, on the following showing of Ayes and Noes:

Ayes, 5 (Takumi, Luke, Kong, Ohno and Matsumoto). Noes, none. Excused, none.

Representative Saiki moved that H.B. No. 821, HD 1, SD 1 pass Final Reading, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. In strong support. Although this is labeled as housekeeping, this along with the other early education bills is the Legislature's commitment to continue to look at ways to help early education. The person who has really shepherded this issue is our Education Chair, and he is the champion of kids from pre-kindergarten, from three to five, and he will continue to make that commitment to publicly finance early education, so this is a very important measure. So, thank you to the Education Chair."

The motion was put to vote by the Chair and carried, and H.B. No. 821, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EARLY CHILDHOOD EDUCATION," passed Final Reading by a vote of 51 ayes.

At 3:50 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 139, HD 1, SD 2
H.B. No. 140, HD 1, SD 1
H.B. No. 821, HD 1, SD 1

At 3:50 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 3:59 o'clock p.m.

END OF CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 26 and H.B. No. 888, HD 1, SD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee and H.B. No. 888, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," were recommitted to the Committee on Conference, with Representative Oshiro being excused.

Conf. Com. Rep. No. 140 and S.B. No. 504, SD 2, HD 1, CD 1:

On motion by Representative Saiki, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 504, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Final Reading by a vote of 50 ayes, with Representative Oshiro being excused.

At 4:01 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 504, SD 2, HD 1, CD 1

SUSPENSION OF RULES

On motion by Representative Saiki, seconded by Representative Evans and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments made by the Senate to certain House Bills. (Representative Oshiro was excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Saiki moved that the House reconsider its action previously taken in disagreeing to the amendments made by the Senate, and give notice of intent to agree to such amendments for the following House Bills, seconded by Representative Evans and carried: (Representative Oshiro was excused.)

H.B. No. 346, HD 1, (SD 2)
H.B. No. 971, HD 1, (SD 2)

ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, an event that all fathers are very proud of is when their daughter graduates from college, especially when they graduate in three years for a four year degree. Unfortunately, I'm going to be in Santa Barbara on Thursday at my daughter's graduation, and I'm going to miss the proceedings. I'm sure you're going to miss my no vote on the marijuana dispensaries, singing Aloha 'Oe, and all those other good things. But I wanted to say to my colleagues, it's been a pleasure serving with you. And, Mr. Speaker, this has been one of the most mellow sessions that we've had in a long time. So, thank you all. *Aloha.*"

Representative LoPresti: "Thank you, Mr. Speaker. I just wanted to acknowledge that today is National Teacher Day, and if you see a teacher please thank a teacher. We've all been affected by them, HSTA or private. Many of you here have been my teachers and I'm very grateful for what I've learned from you.

"Teachers as a profession, it's one of the least appreciated in our society, and I find that just depressing, but I certainly appreciate them a great deal. They're underpaid, overworked, and they have so many professional obligations that they have to meet day in and day out, and so much pressure. I think we need to stop blaming teachers and support them. So, Happy Teacher Day."

ADJOURNMENT

At 4:04 o'clock p.m., on motion by Representative Evans, seconded by Representative Tupola and carried, the House of Representatives adjourned until 10:00 o'clock a.m., Thursday, May 7, 2015. (Representative Oshiro was excused.)

HOUSE COMMUNICATIONS

House Communication dated May 5, 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 reconsidered its action taken in disagreeing to the amendments made by the Senate on April 16, 2015, and gives its notice of intent to agree to the following House Bills:

H.B. No. 346, HD 1, SD 2
H.B. No. 971, HD 1, SD 2

House Communication dated May 5, 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 this day agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 139, HD 1, SD 2
H.B. No. 140, HD 1, SD 1
H.B. No. 821, HD 1, SD 1

House Communication dated May 5, 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 this day passed the following bills on Final Reading:

H.B. No. 10, HD 2, SD 2, CD 1
H.B. No. 11, HD 2, SD 2, CD 1
H.B. No. 15, HD 1, SD 1, CD 1
H.B. No. 26, HD 1, SD 1, CD 1
H.B. No. 73, SD 1, CD 1
H.B. No. 87, SD 2, CD 1
H.B. No. 126, SD 1, CD 1
H.B. No. 134, HD 1, SD 2, CD 1
H.B. No. 142, HD 1, SD 2, CD 1
H.B. No. 158, SD 1, CD 1
H.B. No. 169, HD 1, SD 1, CD 1
H.B. No. 174, HD 2, SD 1, CD 1
H.B. No. 179, HD 1, SD 1, CD 1
H.B. No. 206, HD 2, SD 1, CD 1
H.B. No. 207, HD 2, SD 2, CD 1
H.B. No. 209, HD 2, SD 2, CD 1
H.B. No. 241, SD 1, CD 1
H.B. No. 242, SD 1, CD 1
H.B. No. 252, HD 1, SD 2, CD 1
H.B. No. 261, HD 2, SD 2, CD 1
H.B. No. 277, HD 1, SD 1, CD 1
H.B. No. 290, HD 2, SD 1, CD 1
H.B. No. 318, HD 1, SD 1, CD 1
H.B. No. 391, HD 1, SD 1, CD 1
H.B. No. 436, HD 1, SD 2, CD 1
H.B. No. 444, HD 3, SD 2, CD 1
H.B. No. 448, HD 1, SD 1, CD 1
H.B. No. 461, SD 2, CD 1
H.B. No. 482, HD 2, SD 1, CD 1
H.B. No. 500, HD 1, SD 1, CD 1
H.B. No. 538, HD 2, SD 2, CD 1
H.B. No. 540, HD 1, SD 2, CD 1
H.B. No. 541, HD 1, SD 2, CD 1
H.B. No. 547, HD 2, SD 2, CD 1
H.B. No. 553, HD 1, SD 2, CD 1
H.B. No. 573, SD 1, CD 1
H.B. No. 576, HD 1, SD 1, CD 1
H.B. No. 581, HD 1, SD 2, CD 1
H.B. No. 582, HD 1, SD 2, CD 1
H.B. No. 623, HD 2, SD 2, CD 1
H.B. No. 631, HD 2, SD 1, CD 1
H.B. No. 696, HD 1, SD 1, CD 1
H.B. No. 697, HD 1, SD 2, CD 1
H.B. No. 707, SD 1, CD 1
H.B. No. 775, HD 1, SD 1, CD 1
H.B. No. 782, HD 1, SD 2, CD 1
H.B. No. 820, HD 2, SD 1, CD 1
H.B. No. 830, HD 1, SD 1, CD 1
H.B. No. 831, HD 2, SD 2, CD 1
H.B. No. 832, HD 1, SD 2, CD 1
H.B. No. 850, HD 1, SD 2, CD 1
H.B. No. 894, HD 2, SD 1, CD 1
H.B. No. 896, HD 1, SD 2, CD 1
H.B. No. 943, HD 1, SD 2, CD 1
H.B. No. 1010, HD 1, SD 2, CD 1
H.B. No. 1069, HD 1, SD 2, CD 1
H.B. No. 1090, HD 2, SD 2, CD 1
H.B. No. 1140, HD 1, SD 2, CD 1
H.B. No. 1153, SD 2, CD 1
H.B. No. 1168, HD 1, SD 1, CD 1
H.B. No. 1180, HD 1, SD 2, CD 1
H.B. No. 1214, HD 1, SD 1, CD 1
H.B. No. 1251, HD 1, SD 2, CD 1
H.B. No. 1268, HD 2, SD 2, CD 1
H.B. No. 1273, HD 2, SD 2, CD 1
H.B. No. 1292, HD 2, SD 2, CD 1
H.B. No. 1296, HD 2, SD 2, CD 1
H.B. No. 1332, HD 1, SD 1, CD 1
H.B. No. 1343, HD 1, SD 1, CD 1
H.B. No. 1366, SD 2, CD 1
H.B. No. 1394, HD 2, SD 2, CD 1
H.B. No. 1432, HD 2, SD 1, CD 1
H.B. No. 1440, HD 1, SD 1, CD 1
H.B. No. 1471, HD 2, SD 2, CD 1
H.B. No. 1489, HD 1, SD 2, CD 1
H.B. No. 1491, HD 2, SD 1, CD 1
H.B. No. 1509, HD 3, SD 2, CD 1
H.B. No. 1513, HD 1, SD 2, CD 1
S.B. No. 17, HD 2, CD 1
S.B. No. 40, SD 3, HD 2, CD 1
S.B. No. 64, SD 3, HD 1, CD 1
S.B. No. 92, SD 2, HD 1, CD 1
S.B. No. 101, SD 1, HD 1, CD 1
S.B. No. 104, SD 1, HD 1, CD 1
S.B. No. 105, SD 1, HD 1, CD 1

S.B. No. 118, SD 1, HD 2, CD 1
S.B. No. 158, SD 1, HD 1, CD 1
S.B. No. 160, SD 2, HD 1, CD 1
S.B. No. 181, SD 1, HD 1, CD 1
S.B. No. 213, SD 2, HD 3, CD 1
S.B. No. 223, SD 1, HD 1, CD 1
S.B. No. 250, SD 1, HD 1, CD 1
S.B. No. 253, SD 1, HD 1, CD 1
S.B. No. 254, SD 1, HD 1, CD 1
S.B. No. 265, SD 1, HD 1, CD 1
S.B. No. 273, SD 2, HD 2, CD 1
S.B. No. 284, SD 2, HD 2, CD 1
S.B. No. 349, SD 2, HD 2, CD 1
S.B. No. 359, SD 1, HD 1, CD 1
S.B. No. 374, SD 2, HD 2, CD 1
S.B. No. 376, SD 2, HD 1, CD 1
S.B. No. 387, SD 2, HD 3, CD 1
S.B. No. 423, SD 1, HD 1, CD 1
S.B. No. 464, SD 1, HD 2, CD 1
S.B. No. 504, SD 2, HD 1, CD 1
S.B. No. 508, SD 1, HD 2, CD 1
S.B. No. 519, SD 2, HD 3, CD 1
S.B. No. 521, SD 1, HD 1, CD 1
S.B. No. 524, SD 2, HD 1, CD 1
S.B. No. 544, SD 1, HD 1, CD 1
S.B. No. 555, SD 1, HD 1, CD 1
S.B. No. 569, SD 1, HD 1, CD 1
S.B. No. 654, SD 1, HD 2, CD 1
S.B. No. 661, SD 2, HD 1, CD 1
S.B. No. 717, SD 2, HD 1, CD 1
S.B. No. 756, SD 1, HD 2, CD 1
S.B. No. 791, SD 1, HD 2, CD 1
S.B. No. 831, SD 2, HD 1, CD 1
S.B. No. 854, SD 2, HD 2, CD 1
S.B. No. 868, SD 1, HD 2, CD 1
S.B. No. 871, SD 1, HD 3, CD 1
S.B. No. 892, SD 2, HD 3, CD 1
S.B. No. 964, SD 2, HD 1, CD 1
S.B. No. 971, SD 1, HD 1, CD 1
S.B. No. 996, SD 2, HD 2, CD 1
S.B. No. 1001, SD 2, HD 1, CD 1
S.B. No. 1009, SD 1, HD 1, CD 1
S.B. No. 1028, SD 2, HD 1, CD 1
S.B. No. 1050, SD 2, HD 3, CD 1
S.B. No. 1060, SD 2, HD 1, CD 1
S.B. No. 1072, HD 1, CD 1
S.B. No. 1077, SD 1, HD 1, CD 1
S.B. No. 1078, SD 1, HD 1, CD 1
S.B. No. 1080, SD 1, HD 1, CD 1
S.B. No. 1081, SD 1, HD 1, CD 1
S.B. No. 1082, SD 1, HD 1, CD 1
S.B. No. 1083, SD 1, HD 1, CD 1
S.B. No. 1084, SD 1, HD 1, CD 1
S.B. No. 1090, SD 2, HD 1, CD 1
S.B. No. 1094, SD 2, HD 1, CD 1
S.B. No. 1113, SD 2, HD 1, CD 1
S.B. No. 1117, SD 2, HD 1, CD 1
S.B. No. 1124, HD 1, CD 1
S.B. No. 1131, SD 2, HD 2, CD 1
S.B. No. 1158, SD 1, HD 1, CD 1
S.B. No. 1177, SD 1, HD 1, CD 1
S.B. No. 1180, SD 2, HD 1, CD 1
S.B. No. 1211, SD 1, HD 1, CD 1
S.B. No. 1214, HD 1, CD 1
S.B. No. 1291, SD 2, HD 2, CD 1
S.B. No. 1297, SD 1, HD 1, CD 1
S.B. No. 1299, HD 1, CD 1
S.B. No. 1305, SD 1, HD 1, CD 1
S.B. No. 1312, SD 1, HD 1, CD 1
S.B. No. 1316, SD 2, HD 2, CD 1
S.B. No. 1324, SD 2, HD 1, CD 1
S.B. No. 1345, HD 1, CD 1
S.B. No. 1361, SD 2, HD 1, CD 1

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