



Senator Roz Baker

Chair, Committee on Commerce and Consumer Protection
5th Senatorial District– South and West Maui

Phone: 808-586-6070

Email: senbaker@capitol.hawaii.gov

Lahaina Community Review of the 2011 Session

Aloha Friends,

It is my pleasure to represent you and our South and West Maui communities in the Hawai'i State Senate. I appreciate your interest in helping to move Hawai'i forward by sharing your thoughts, ideas and concerns with me during the Legislative session and throughout the year.

On May 5th, the gavel came down on the 2011 regular Legislative session. Although challenging because of fiscal matters, it was also rewarding because some very solid legislation was passed.

- Help distressed homeowners facing foreclosure (Act 48)
- Ensure victims of domestic violence are not re-victimized in the workplace (Act 206)
- Prohibit discrimination on basis of gender identity in employment (Act 34)
- Provide for permanent absentee ballot status (Act 142)
- Establish the framework for a Hawai'i Health Insurance Exchange (Act 205)
- State recognition of Native Hawaiians as our indigenous peoples; establish a Native Hawaiian Roll Commission (Act 195)
- Restructure the Board of Education as an appointed board (Act 8)
- Allow Civil Unions (Act 1)
- Adopt a balanced biennium budget (Act 164)
- On-bill financing to promote residential use of solar energy (Act 204)
- Sustainable business organization(Act 209)
- Strengthen laws against dog fighting (Act 149)
- Strengthen laws against sex & labor trafficking (Acts 145/146)
- PUC transparency & operational improvements to address neighbor island concerns (Act 213)

Despite fiscal constraints, we were still able to secure capital improvement funding (Act 164) for needed projects in our community. This list highlights some important projects that will benefit South Maui.

• Lahaina Intermediate bathroom renovations	\$ 980,000
• Princess Nahienaena 2 portable classrooms	\$ 740,000
• Lahainaluna High School Stadium Project	\$ 1,700,000
• Lahainaluna High School Science Lab Upgrades	\$ 800,000
• Honolua Bridge replacement	\$ 425,000
• Honoapiilani Hwy widening Honokowai to Launiupoko	\$ 32,000,000
• Honoapiilani Hwy safety upgrades Ukumehame to Olowalu	\$ 650,000
• Kapalua Airport emergency use runway lights	\$ 113,000
• Mala Boat Ramp upgrades	\$ 800,000
• David Malo Circle exterior improvements	\$ 1,534,000
• Improvements to Highway Intersections	\$ 2,815,000
• Lahaina wastewater management	\$ 7,560,000
• Lahaina District Court improvements	\$ 275,000
	\$ 54,217,000

For more information on these new laws and all others, please visit: www.capitol.hawaii.gov

Mortgage Foreclosure (Act 48) – Reforms our foreclosure laws and provides a process for Hawai'i homeowners to meet with their lenders face-to-face to try and save their homes from foreclosure and work out a mutually acceptable solution. The mortgage foreclosure dispute resolution program uses trained neutrals to facilitate communication between the parties to maximize the likelihood of a successful outcome. The program is administered by the State's Department of Commerce and Consumer Affairs with assistance from the State Judiciary's Center for Alternative Dispute Resolution. Although some lenders seem to want to disregard our laws, we believe the transparency, notice and consumer protection provisions of the law will assist homeowners whether in a judicial or non-judicial foreclosure action. For further information regarding this legislation and the resolution program please visit: <http://hawaii.gov/dcca/> and follow the links to MFDR (Mortgage Foreclosure Dispute Resolution)

Hawaii Health Exchange (Act 205) – The federal Patient Protection and Affordable Care Act requires each state to establish a health insurance exchange for consumers to more easily navigate the choices of health insurance plans as well as to obtain information. Called the Hawaii Health Connector, it will initially help individuals and small businesses find suitable health insurance, when it is fully operation in 2013.

Nondiscriminatory work environment for Victims of Domestic Violence (Act 206) – The impetus for this measure came from the West Maui Domestic Violence Task Force. It is now unlawful for an employer to discriminate against an employee because of the domestic or sexual violence victim status of the employee. *Act 206* requires an employer to make reasonable accommodations in the workplace for an employee who is a victim of domestic or sexual violence.

Native Hawaiian Recognition Legislation (Act 195) – Formally recognizes Native Hawaiian people as "the only indigenous, aboriginal, maoli people of Hawai'i". In addition to formal recognition by the State of Hawai'i, the measure also requires the Governor to appoint a Native Hawaiian Roll Call Commission that

will create and publish a list of people who are of Native Hawaiian descent. Funding for the activities of the Native Hawaiian Roll Commission will come from the Office of Hawaiian Affairs.

Restructuring of the Hawaii Board of Education (Act 8) Members of the BOE are now appointed by the Governor and confirmed by the Senate. Members represent all the counties, with 1 member each from Hawaii, Kauai and Maui counties, 3 members from the City and County of Honolulu, and 3 at-large members. One of the at-large members is to be selected as board chair.

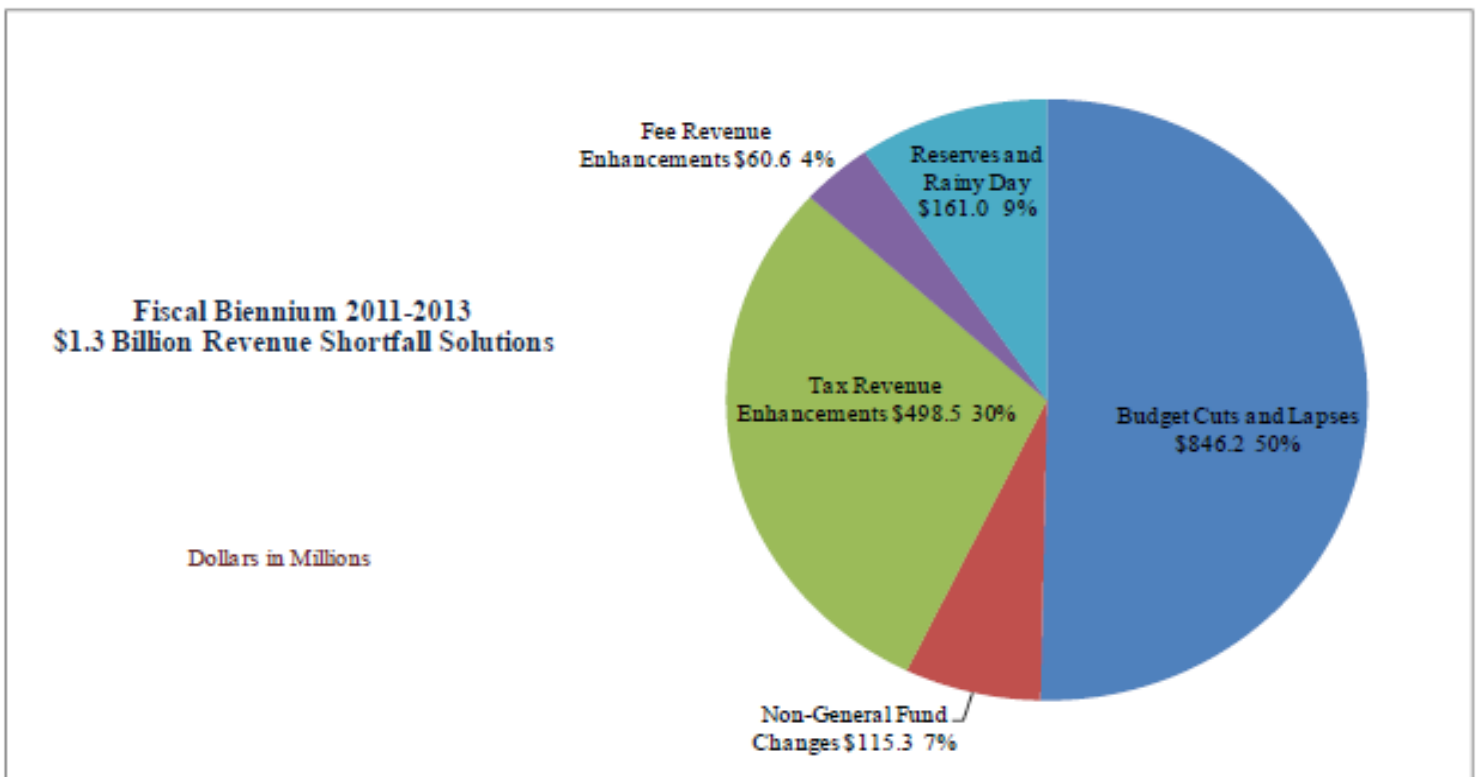
Solar Energy (Act 204) – Directs Public Utilities Commission (PUC) to investigate an On-bill Financing Program for residential electric customers to finance purchases of energy efficient or renewable energy devices and systems through regular electric utility bills. If deemed viable, the PUC will be able make a program available to the public.

PUC and Public Notification (Act 213) – Requires the PUC to hold public hearings prior to approving a water carrier's certificate of public convenience and necessity (CPCN); specifies required findings for a CPCN; requires posting of documents on PUC's website.

Sustainable Business (Act 209) – Creates a new business designation with specific requirements for internal management and oversight for sustainable business corporations. The sustainable business corporation designation enables entrepreneurs and investors to pursue socially and environmentally responsible objectives.

Cruelty to Animals (Act 149) – Creates the offense of cruelty to animals by fighting dogs in the second degree (class C felony), by prohibiting a person from wagering on or attending a dog fight. It also strengthens existing laws to make sponsoring, arranging or holding a dogfight to a first degree offense and a class B felony.

Sex/Labor Trafficking (Act 145/Act 146) – Strengthens our existing laws addressing sex or labor trafficking situations. The law will more harshly punish those who are found guilty of these offenses.



Budget and Fiscal Matters Central Focus: Different Approaches

The Legislature strived to craft a balanced biennium budget that would enable essential government services to continue, while minimizing the economic burden on residents. The Senate, House and Governor had different approaches. The Senate wanted to end furloughs but needed labor savings equal to what had been generated by the furloughs. Also, the Senate did not use pension or business taxes in its plan. The House and Executive budget plans included a tax on pensions and business taxes among other revenue enhancements.

Balancing the Budget

When the Council on Revenues further reduced revenue projections in March and with the impact of the Japanese tsunami uncertain, the Legislature was forced to include a broader range of revenue measures as well as additional cuts in spending to achieve a balanced budget plan. The rainy day and hurricane relief funds were tapped to get us through the current fiscal year. (The hurricane relief fund will be replenished in future fiscal years.) The Governor imposed a 10% restriction on all departments through the end of June and many worthy services in health, human services and education were squeezed even further.

The final version of HB 200, the executive biennium budget, was based on a combination of revenue generating components such as a temporary suspension of some tax exemptions, repealing state income tax exemptions for some filers, a cap on itemized deductions for higher income taxpayers, delaying an implementation of an increase in personal exemptions and standard deductions for all taxpayers as well as capping the counties portion of the TAT, utilize money in the rainy day and hurricane relief funds, divert moneys in a variety of other special funds and selected fee increases all helped to achieve a balanced expenditure plan for the current fiscal year and the next biennium, assuming current revenue projections. The Legislature also increased other fees going into the Highway Special fund for much needed roadway improvements and to leverage federal funds. All these actions will help to generate hundreds of millions of dollars in State revenue.

The Legislature did not pass an overall increase in the State's General Excise Tax, did not tax pensions, did not agree to increase taxes on soda or liquor. Of course, there are increases in other fees. Hopefully our recovery will continue and some of the increases enacted as temporary fixes can be repealed next session.